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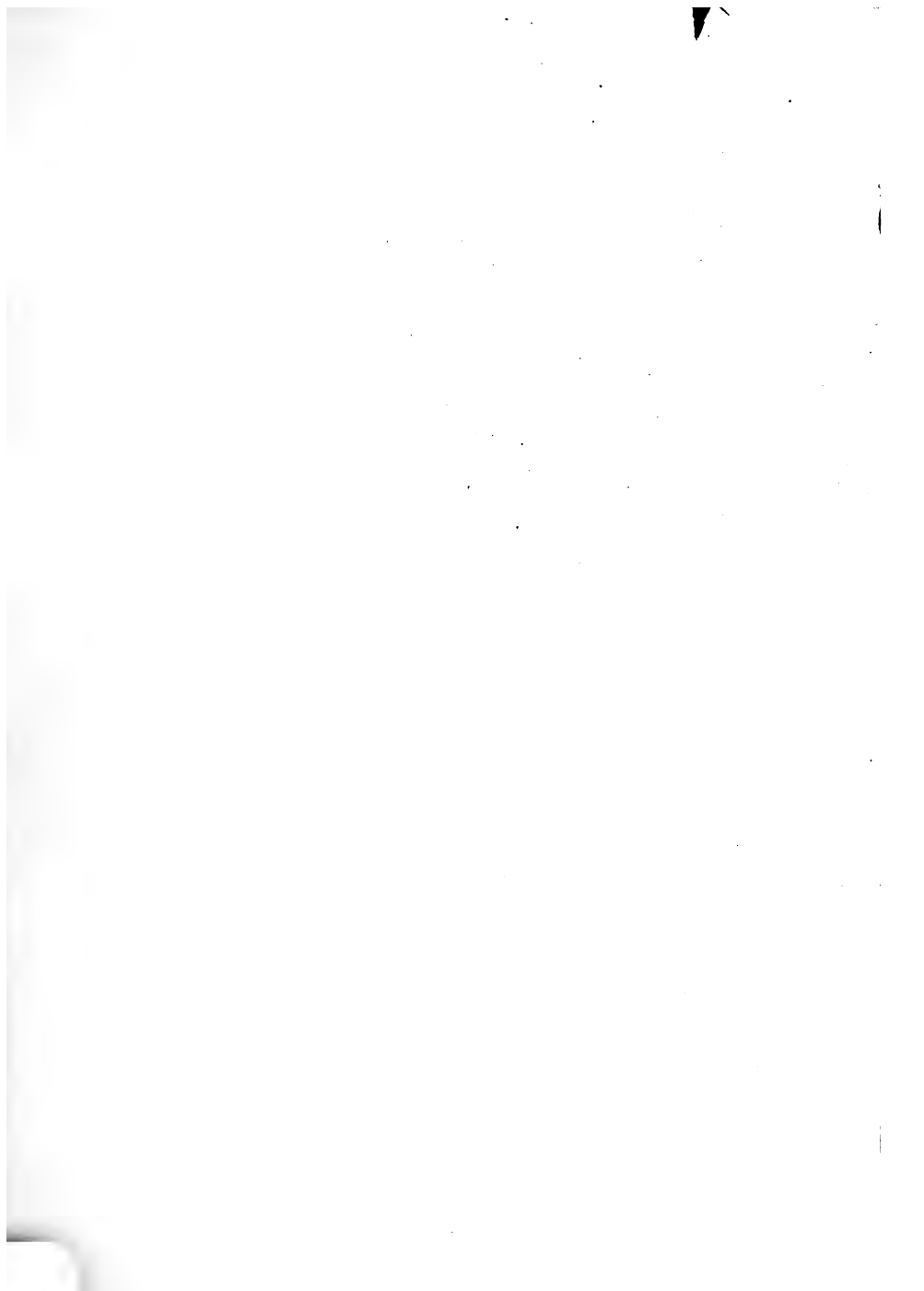
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Mar. 2. 1871

PRICE, TWENTY-FIVE CENTS.

WAGES, FIXED INCOMES AND THE FREE COINAGE OF SILVER

212TH THOUSAND

Philadelphia :
JOHN HIGHLANDS
229 North Ninth St.
1896.

Dangers of Free Coinage in a Nut-Shell

WORKINGMEN AND THE CURRENCY

They Have Everything at Stake and Should Demand Honest Money

The following letter, recently published in the "Boston Herald," presents the dangers of the free coinage of silver to wage-earners and workingmen about as concisely and forcibly as they can be stated :

To the Editor of The Herald, Boston :

It seems to me that, in the present currency controversy, too little stress is laid on the importance of the gold standard to the laboring man or woman, no matter in what field they may work.

The majority of the people in this country are creditors, people to whom money is owed for wages (salaries, or whatever you choose to call it), and they should see to it that they are paid in the very best money.

Think of the mass of money belonging to the people in the savings banks. What do individual fortunes amount to compared to this vast sum? Do its owners wish their hard-earned savings depreciated? Should not all sound money men and newspapers put forth every effort to make the wage-earners realize their danger?

The wage-earners are the life-blood of this country, but they are comparatively unprotected from the assaults of those who wish to lessen their earning capacity. It is possible that a business man can finally adapt himself to almost any standard if he does not fall in the crash and panic that the change to a silver or a paper basis would bring about, but laborers, who are a large majority of the people of this country, will suffer severely, with little chance of protecting themselves, unless, aroused to their danger, they strike down by their ballot the enemy who is secretly and cunningly trying to injure them.

Should they not constantly be warned? Nothing can bring greater prosperity to this country than the surety that all people who work for their living, no matter what their labor, trade or business may be, will be paid on a gold basis, and the very fear that this basis may be changed to some depreciated kind of money has caused much of the hard times and utter stagnation with which we have been familiar for so long a period.

W. P. LYMAN.

WAGES, 74761 FIXED INCOMES

AND THE FREE COINAGE OF SILVER

OR

THE DANGER INVOLVED IN THE FREE COINAGE OF
SILVER AT THE RATIO OF 16 TO 1

TO ALL

Wage-Earners and Workingmen; to Clerks and Persons Holding Salaried
Positions, and to all Persons with Fixed Incomes.

BY

ISAAC ROBERTS

SECOND EDITION—REVISED.

"Truth, like gold, is not the less so for being newly brought out of
the mine."

—John Locke.

"You will always find the root of economics in good morals."

—Ernest Laveleye.

Philadelphia:
JOHN HIGHLANDS
1896.

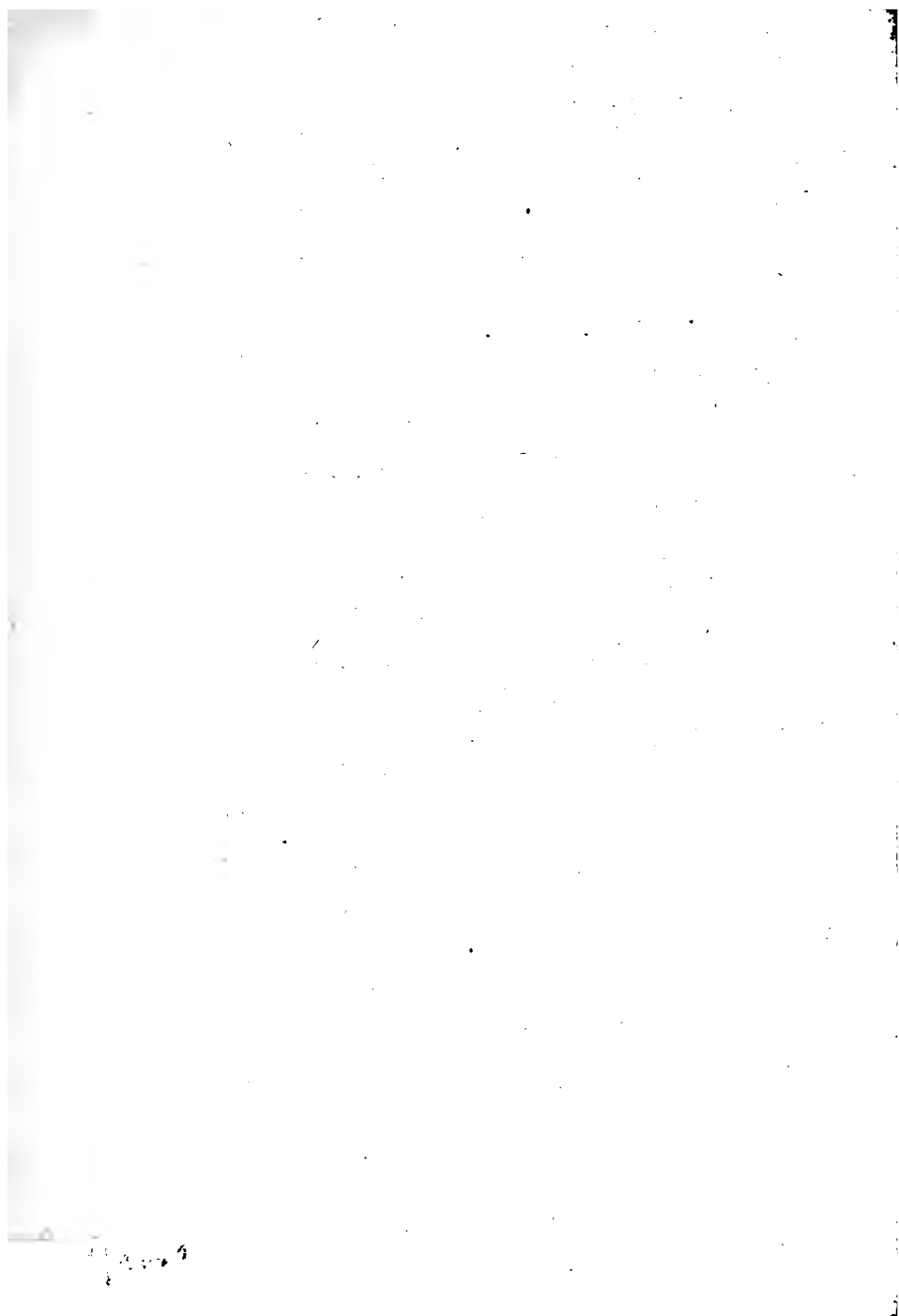
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TO THE
WORKINGMEN OF THE COUNTRY,
WHOSE CAPITAL, AND WHOSE DAILY BREAD ARE FOUND
IN THEIR DAILY TOIL, THIS LITTLE BOOK IS DEDICATED
BY THE AUTHOR,
WITH THE HOPE THAT THE DOLLARS THEY EARN
MAY CONTINUE TO BE WORTH 100 CENTS.

Peabody. 2-1-28 M. V. P.

7/27.5/1



PREFACE

THE man who is most directly interested in the discussion of the Free Coinage of Silver is the workingman. If that were to be adopted as the financial policy of the country, he would be the first to be injured, and in all probability his injury would be lasting. In the term workingman is included every one who works, whether by brain or muscle, and who receives pay for labor.

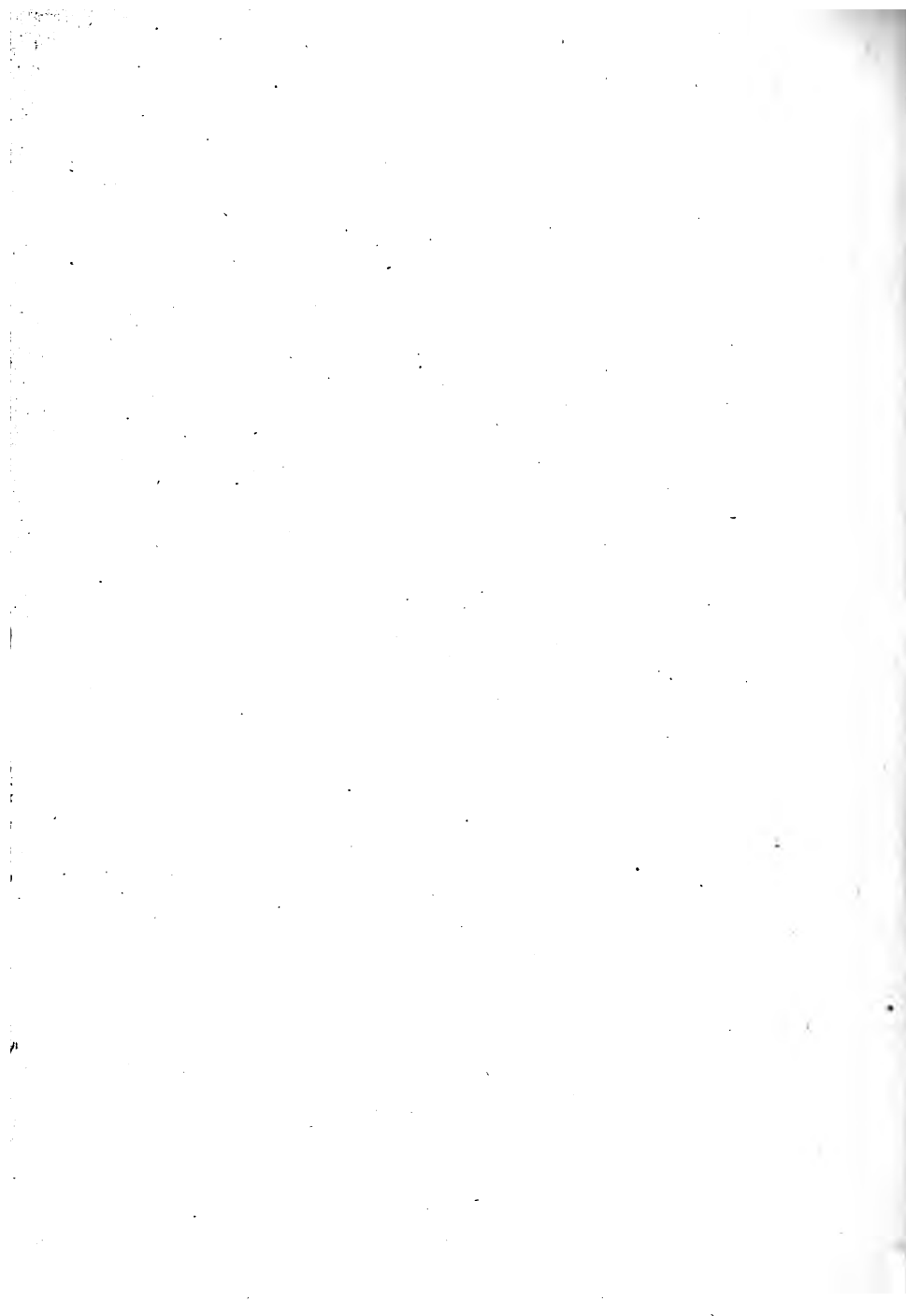
In spite of the deep personal interest of the workingman in this question, he seems to pay but little attention to it. This is doubtless due to the fact that its presentation is usually obscured by the use of technical terms and all the driest details of dusty economics. An attempt is here made to present to him the danger to his interests which Free Coinage would involve, with as little use of the repellant technical terms of monetary science as is possible. The whole purpose of the writer has been to present the truth as he is able to see it, and to present it so clearly and so simply that no reader can fail to comprehend it.

The book has been written in the conviction that the interests of all classes of workers have been

seriously affected by the threat of Free Coinage, and would be most disastrously affected by its accomplishment, but also in the confident hope that, with a clear understanding of the subject by the workers, that accomplishment is an impossibility.

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CHAPTER I.

THE BRAKEMAN AND THE BANKER

A TALK ABOUT FREE COINAGE

“MR. BRUCE, can you give me some points about the silver question?”

The questioner was a brakeman on the Pleasant Valley Railroad, and the person addressed was the cashier of a National Bank in the small manufacturing town which is the southern terminus of that well-known road. They were both on the noon train, south-bound, which is often nearly empty at this time of day, and the brakeman had taken advantage of a few idle minutes to approach the passenger and make the above inquiry.

“Why, of course, Barr,” was the reply; “provided I can. But why are you interested in the silver question?”

“Well, it’s this way. You know some of us fellows have a club or small society of our own, that meets down town once a week. We don’t do much but talk, but we do a good deal of that, and for the last five or six meetings we’ve had nothing but silver and the currency, bimetallism, and so on. The fellows have been getting interested, and a good many of them side with Stewart, the pressman of the *Busy Bee*, you know, who’s strong for free coinage,

and is trying to persuade us all that he's just right. I don't see the thing exactly as he does, but he's a good deal better posted than I am—at least he talks as if he knew it all, and could give points to Solomon, if he was about. I want to post myself as well as I can, and thought you could give me some ideas about the question.”

“Well, as I said, I'll give you any help I can. But what made you think that I knew anything about it? Why did you come to me?”

“Why, you're in the business, ain't you? Don't men in the banking business have to keep posted about such matters?”

“Well, we used to think we did, Barr, and some of us have been studying the subject for years. I have been trying to ‘get posted,’ as you call it, for over twenty years; but we have been lately informed by the free silver men that bankers know nothing at all about the question, so I guess you've made a mistake. According to the silver men, they have a monopoly of information on this subject, and the rest of the people, especially bankers, cannot understand it. Hadn't you better find a silver-mine owner, and get him to tell you all about it? He knows it all, you see, while I know only a part of it.”

“I think I'll trust you, Mr. Bruce, if you'll tell me some of the things that you know about it. It struck me the other day, while I was thinking about this question, that the silver-mine owner, who owns a lot of silver and wants to sell it at the best price, has a pretty big personal interest at stake in free

**Why Should
Bankers Know
Anything
About Silver?**

coinage, and so I think I'd rather have some other person's opinion first. He seems to be giving his advice pretty freely, anyway."

"You've struck home the first shot, Barr. That is the very root of the whole question—the selfish interest of the silver-mine owner. Not content with driving the country into the worst panic it ever saw, in which thousands of hard-working men lost their all, they are now trying to throttle the whole business interests of our country, in order to gather some more millions from the people. But here we are, almost at the station, and we've hardly touched the question. Is there any one else interested in free coinage that would like to talk it over?"

"Well, there's old Storey, the shoemaker, you know. He's interested in it, but he isn't much of a talker, although he knows how to think well enough, and can put two and two together without asking help. He says at our club that he'll do the thinking but I must do the talking."

"Well, suppose you and Storey call around at my home this evening and let us have a talk about it at our leisure. I'll be glad to go over it with you, and perhaps between us we'll be able to see daylight on this matter."

"Thank you, Mr. Bruce. I'll be glad to come, and I'll try to bring Storey with me. Good-day, sir."

"Good-day, Barr. By the way, tell Storey to put his thinking cap on, as I have two or three hard questions I want him to 'settle.'"

CHAPTER II.

THE FREE COINAGE SCHEME

WHO WOULD GAIN BY IT.

PROMPTLY, at eight o'clock on the same evening, brakeman Barr and his old friend, Storey, the shoemaker, knocked at Bruce's door. They were admitted and cordially greeted by Mr. Bruce.

"Suppose we go upstairs to my study, gentlemen," he said, shortly after they had entered. "We will be free from interruptions there and can discuss our subject more freely;" and he led the way up two flights of stairs to a small room, comfortably furnished, with a long, well-filled book-case on one side, a large writing-desk on the other, with easy chairs and other furniture scattered here and there.

"That's right, Mr. Storey," he said to the old gentleman who had stopped before the book-case, "take a look at my pets. I have some of your old friends there, too, I'm sure. By the way, Barr, what books has your opponent, Stewart, been feeding on? Can you give me any idea where he's been getting posted?"

"I think he's been getting most of his ideas from a little book he carries about with him all the time. It's called 'Coin's Silver School,' I think, or something like that."

"O yes, I know that little book. 'Coin's Financial School' is what the author called it. It has been fully answered by Horace White, and I think we need make no attempt at a reply, but go on with our consideration of the subject in our own way."

"I think that would be a sensible plan, Mr. Bruce. But before we begin with the regular discussion, there's a question I'd like to ask, only I hesitate to ask it, too."

"Don't feel that way about asking questions, Barr. I want you and Storey to feel perfectly free to ask any that may occur to you."

"Well, the question in my mind is this, Mr. Bruce: What is the meaning of the expression 'sixteen to one,' that we hear so often now?"

"I'm glad you asked that, Barr, for **Sixteen to One:** that lies at the basis of the subject we **What does it** are discussing. It simply means that, **mean?** under free coinage, our Government would be compelled to hold that sixteen ounces of silver were worth as much as one ounce of gold. In the present gold dollar there are 25.8 grains of gold, nine-tenths fine, or 23.22 grains of pure gold; while in the standard silver dollar there are $412\frac{1}{2}$ grains of silver, nine-tenths fine, or $371\frac{1}{4}$ grains of pure silver. Now, if you will divide the number of grains in the silver dollar ($412\frac{1}{2}$) by the number of grains in the gold dollar (25.8) you will have 16 as the quotient, showing that the proportion, or ratio, is 16 to 1."

"Oh, I see. It's a matter of the value of certain weights of the two metals to each other; Sixteen ounces of silver, under free coinage, would be equal in value to one ounce of gold. Is that it?"

"That's what the free coinage people would like it to be, Barr. But at the present time, in the markets of the world, one ounce of gold will buy thirty-two ounces of silver. So you see the real or commercial ratio is 32 to 1, instead of 16 to 1. So the proposition of free coinage seems to some of us a good deal like a proposition that our Government declare, by law, that 32 shall only be 16, or that 2 shall only be 1. And many of us don't think that possible."

"Well, it hardly seems so to me, either, Mr. Bruce. I guess if they'd pass a law that two days' work should only be considered as one day's work, they'd find that that wouldn't work, even if it was a law."

"Yes, and this other law wouldn't work, either, if it should be tried. Its only effect would be to drive gold entirely out of circulation, and land us at once on the silver basis, with silver monometalism and its attendant evils. But we'll see more clearly how it would work as we proceed with our talk."

"On that upper shelf, Mr. Storey," he continued, addressing the old man, who was still at the bookcase, "you will notice books covering the subject we are about to discuss. I could refer to them again and again for what I want to say this evening, but I'm afraid that might prove tiresome, so I'm going to tell you in my own language what this attempt to reach free silver coinage seems to be."

"That's just what I want you to do, Mr. Bruce, and I wish you'd make it as plain as you possibly can," said Barr. "I'm good enough at braking a train, but when it comes to talking about ratios, and coinage value, and commercial value, and so on, like Stewart does, why I'm not posted, and I wish you'd

make those things so clear that my brain can get its grip on them, so I can give them to the boys at the Club."

"Very well, Barr; that was my intention. Now, suppose we begin with the statement you made this afternoon about the great interest of the silver mine owners in the question of free coinage. And here, take these pencils and paper, for I want you both to do a little figuring on your own account. Now, tell Mr. Storey what you told me about the owners of the silver mines."

"Oh, I've told that to Storey more than once, haven't I, old man? We both think that the owners of silver mines have an immense interest in this free coinage business, and because of this interest, the rest of the people, who have no special interest in the product of silver mines, ought to stop and think before they decide to buy up that product at two prices."

**Better Stop
and Think,
Before Purchasing at
Double Price.**

"Yes, but have either of you ever put it down in cold figures just what their interest in this question is?"

"No, Mr. Bruce, we haven't done that. You see we haven't known just what the figures were."

"Well, I want you to put them down for yourselves. I think they will astonish you, First mark down the figures 480 at the top of your page. That is the number of grains in one ounce, Troy. Now, Mr. Storey, how many grains of refined silver are there in a silver dollar?"

"I'm posted there, Mr. Bruce— $371\frac{1}{4}$."

"Right. Now, tell me how much 480 grains of

refined silver is worth, supposing $37\frac{1}{4}$ to be worth just one dollar."

"Now, hold up a minute, Mr. Bruce; give me a little time on that," said Barr. "You see, it's some time since I was at school."

"Take your time, Barr. I want you to do the work yourself, so that you will be satisfied it is right, and can explain it to others."

After a few minutes' calculation, Barr said: "I have it now: it's one dollar and twenty-nine cents and a fraction ($\$1.29+$)."

"What does that represent?"

"Why, it's the value of one ounce of refined silver, or 480 grains, provided $37\frac{1}{4}$ grains are worth just one dollar."

"Exactly. Now we are getting down to facts. This is one of the points I want your brain to get a fast grip on, so that you can give it to Stewart and your friends at the club. The amount of refined silver in a silver dollar is $37\frac{1}{4}$ grains, and the silver mine owners demand that our Government shall give one dollar for every $37\frac{1}{4}$ grains of refined silver any man, woman, or child shall take to any one of its mints.

The Demand
of the Silver-
Mine Owners.

That's just the fact, Mr. Storey, is it not?"

"That's just what the free coinage of silver means, Mr. Bruce, if it means anything."

"Now, Barr, keep your brain on deck, and listen with both ears. Free coinage means that for every $37\frac{1}{4}$ grains of refined silver deposited with him, Uncle Sam must hand out one dollar. Now, remember, that that number of grains is a little more than three quar-

ters of an ounce. Now, Mr. Storey, I think you are posted: tell us what was the last London quotation for refined silver per ounce."

"The last that I noticed was in the *Ledger* of last Saturday, and in our money it was sixty-five cents an ounce."

"Well, that's about it. It fluctuates more or less every day, but that is about the average price for the past six or eight months. Now, Barr, I see you begin to see something. Set your pencil to work and tell me how much $371\frac{1}{4}$ grains of silver are worth, when the market price for one ounce, or 480 grains, is 65 cents?"

"Great Scott! I do begin to see something. Give me a little time, now, and I'll tell you. Or, look here, suppose you do the fine figuring yourself, and let me take the three-quarters of an ounce plan: that's 360 grains, pretty near the $371\frac{1}{4}$, and I can work that out quicker."

"Very well; take your time." In a moment Barr had his answer, and in a few minutes Mr. Bruce had his. "Well, what do you make the three-quarters of an ounce worth, at 65 cents per ounce, Barr?"

"Just $48\frac{3}{4}$ cents. What is the result of the close work, Mr. Bruce?"

"I make it 50 27-100 cents, so that your calculation is just about right, too; so that, at the present market price of refined silver, the value of the $371\frac{1}{4}$ grains in a silver dollar is just about 50 cents. But the silver-mine owners and the advocates of free coinage want our Government, that is, the people of the whole

How Many
Cents in a
Silver Dollar?

country, to give one dollar for that amount of silver. Or, in other words, while to-day any of us can buy any amount of refined silver at sixty-five cents an ounce, the free-silver men insist that Uncle Sam shall give one dollar and twenty-nine cents an ounce, without limit as to quantity. Do you think the people of this country can be induced to go into a wholesale exchange of that kind?"

"Not unless they are rather sillier than I take them to be. But, Mr. Bruce, isn't it intended that there shall be some limit to the amount taken at that price, by the Government?"

"Not at all, Barr. The free coinage men don't contemplate any limit whatever, either as to amount to be taken or as to time. According to them, Uncle Sam is to take all the silver that may be offered at double the present market price—and this operation, like Tennyson's brook, is to 'go on forever.' What do you think would be the result of such an unlimited and one-sided bargain?"

"Well, it seems to me that Uncle Sam would pretty soon bankrupt himself. How could any one go into a bargain like that without running aground in a little while?"

"That's a question the silver men don't care to discuss; at least they never try to answer it, unless a mere 'pooh, pooh!' can be regarded as an answer. But now let us apply the figures we have just arrived at to the silver mining business; then you'll begin to see why the silver men are so anxious to run the country into the free-coinage rut. Mr. Storey, tell us what the output of the silver mines of the country is annually."

"Well, I can't say exactly, but I can tell you what it was thought it would be a few years ago. When the Silver Purchase Act was passed in 1890, it was said then by the Congressmen who voted for it, I remember, that the amount to be purchased annually by the Government would be just about the annual output of all the silver mines in this country."

"And what was that amount?"

"Why, you know as well as I do, Mr. Bruce, that that law provided for the purchase of four and a half million ounces of refined silver every month, or fifty-four million ounces per year (54,000,000 ounces)."

"Exactly. Well, suppose we take that figure as representing the total output of all the mines of this country. Now, Barr, at sixty-five cents per ounce, what will that number of ounces be worth?"

"Hold on now, Mr. Bruce, I'm not used to dealing in such large figures. Let me go slow."

"Take your time. I'll make the calculation, too, to see that we both get it right. Well?"

"I make it \$35,100,000."

"Exactly. That is to say, the present market value of the total output of our silver mines is thirty-five million one hundred thousand dollars. Now, tell me, what would be the value of the same output at one dollar and twenty-nine cents an ounce?"

**Market Value
of Output of
U. S. Silver
Mines in 1896.**

After a minute's figuring Barr answered: "I make it \$69,660,000."

"Right again. That is to say, if the silver-mine owners can induce the people of this country to

go into free coinage, the people will give them annually \$69,660,000 for a product which can now be bought in the market for \$35,100,000. What would the profit of the silver-mine owners be by the operation of free coinage, Barr?"

"Great Scott! They would make \$34,560,000."

"Yes, and who would they make it from?"

"Why, from the people who took their silver from them, of course—from the Government."

"That is to say, from all of us, for we are the people. You begin to see now the reason for this move on the part of the silver-mine owners for free coinage of their product. They are simply on the make, and they expect the rest of the people of the country to foot the bill and pocket the losses. And I want you both to note the fact that our calculations are based on a very small annual output. The law of 1890, known as the Silver Purchase Act, was a compromise measure, and it was thought that by purchasing what was supposed to be the total output of our own mines, the price of silver would be kept up to near the coinage value, that is, \$1.29 per ounce. And there was a spurt in the price, as you remember, Mr. Storey, up to \$1.21 per ounce. Then it began to drop day by day, month by month, in spite of the immense amount purchased by the Government, until it touched \$1.00 per ounce, and then on down until it reached 90 cents, 85 cents, and even lower. What made it keep on falling, Barr, when the Government was buying pig silver, and stacking it up at the rate of four and a half million ounces per month?"

Why did the
Price of Silver
fall in 1890
and 1891.

"Why, I suppose it was because the output or the supply exceeded the demand."

"Exactly so. The fact that the Government was such a large purchaser stimulated the production, and the output increased rapidly. Silver-mine owners are in the business to make money, and this was too good an opportunity to lose. Don't you think that if the Government would go into the market as a purchaser of iron, or wheat, to the extent of forty or fifty million dollars a year, that the price of iron and wheat would stiffen, and pretty soon afterward the production be largely increased?"

"Well, I should say so. How much do you think the production of silver was increased, Mr. Bruce."

"That is a difficult question to answer. Very greatly, without doubt. The point that I'm trying to make clear is this: that the stimulus that free coinage would offer—that is, with the stimulus that two dollars for the same amount of refined metal that one dollar will buy now—would offer, would be so great that the annual output of silver might go to almost any figure in ounces. Every ore-bank in the mining regions would be re-worked, every old mine and every possible new mine would be worked to their fullest capacity, and the output annually would be tremendous. The Rocky Mountains contain hundreds or thousands of silver deposits not yet discovered, but which will some day be found and worked. Let us suppose that under the stimulus of two prices the annual product would increase to one hundred million (100,000,000) ounces, which is not an extreme estimate under the circumstances. What would that

amount take from the Government, Barr, at \$1.29 per ounce?"

"Let me see: 100,000,000 ounces at \$1.29 per ounce; why, that would come to \$129,000,000."

"Exactly. Now, suppose the people continued free coinage for ten years, what would the cost of the silver be, if the annual output continued the same?"

"Why, ten times that amount: that is, twelve hundred and ninety million dollars."

"That's right. Under free coinage our Government would, in all probability, receive in ten years twelve hundred and ninety million dollars worth of silver at double the present market price. What would the profits of the silver-mine owners be, provided it were possible, as they and their advocates contend that it is, to keep the silver dollars at a par with gold?"

*Profits of the
Silver Kings
under Free
Coinage.*

"Now, give me time, Mr. Bruce. The Government can buy it now for 65 cents an ounce. The ten year's purchase at that price would cost \$650,000,000. But at free coinage rates Uncle Sam would give the mine-owners \$1,290,000,000. Great Scott! Why, man alive! their profits would amount to \$640,000,000 (six hundred and forty million dollars). Mr. Bruce, do you mean to say that that is what the silver-mine owners would make in ten years out of free coinage?"

"No, I do not mean to say that. But I do mean to say that, if their present statements were correct, to the effect that the silver dollar could still be kept at par with the gold dollar under free coinage, in that case their profits would amount to the figures you

have just given, and if the silver men are honest in their statements, then they are looking forward to just such profits. But I do not believe that they are so ignorant, or so foolish, as they evidently think the rest of the American people are. I doubt whether any intelligent advocate of free coinage expects silver to be kept at par with gold, as at present, if their scheme should go through. But I want especially to call your attention to the fact that, under the increased production, their increased profits would be immense, and also to another more important fact, that every dollar of profit in their pockets would be represented by a corresponding dollar of loss to the pockets of the people. In a word, the

• **The Free
Coinage
Scheme: Can
the People be
Deceived?**

free coinage of silver seems to me to be the greatest scheme for the open and legalized spoliation and robbery of a great and intelligent people, the world has ever seen. But it remains to be seen whether the wool can be so skillfully drawn down over the eyes of the people, that they can be induced to consent to such a scheme."

"While you are on that point, Mr. Bruce," said Storey, who had been listening intently, "there is a thought or two that has been in my mind for some time, that I would like to ask you about. I'm not

**One of the
People Speaks.**

much at speech-making, but I'd like to make one speech that would reach some of our people, especially hard-working people like myself. I'm not a millionaire silver-mine owner, and I'm not a United States Senator, and I never expect to be. I'm simply one of the common

people. But I've been given some brains as well as the silver millionaire, and I'm able to use them without his help. I don't want him to come to me and tell me what an unspeakable blessing it will be for me and the rest of the people to take the commodity he produces at two prices. I've got sense enough left, thank Heaven! to see that the two prices go into his pocket and not mine, and I think other common people have that much wit left, too."

"In other words, Mr. Storey, you would like even a millionaire silver-mine owner and a United States Senator to treat you as if you were an intelligent man and not entirely devoid of sense?"

"That's about the size of it. And I think other common people like myself feel just about the same way. President Lincoln used to say that 'you may fool some of the people all the time, and all of the people some of the time, but you can't fool all the people all the time,' and I think the silver-mine owners and their tools through the country will soon find it out."

"Why, Storey, old man, that's a pointer for me in the Club. I'll have to make a note of that. Who said you couldn't make a speech, old fellow? Keep right at it, you're doing fine," said Barr, who had been a pleased listener to the old man's remarks.

"Well, there's one thing more I'd like to say, if you'll stop your funny business, young man," continued the old man, "and that is that I haven't forgotten what these same silver-mine owners and their friends did during the summer and fall of 1893, and I don't think the plain business men of the

country have forgotten it, either. I remember that after the House of Representatives had decided to repeal the purchase clause of the silver law of 1890, the silver men in the Senate kept talking against time

The Free
Silver Panic
of 1893.

for four, five, six, and even eight weeks, and on every day of those eight long weeks, business men all over the country were praying for relief, banks were closing their doors, factories were being sold out, and good business men—just as good as the long-winded men in the Senate—were being crowded to the wall and sold out by the Sheriff. At last they did what they should have done within the first week after they met, and within two weeks money was easy again, and men with decent credit could borrow all they wanted at low rates. I haven't forgotten those weeks, and I don't think the business men of the country have, either."

"That's very true, Mr. Storey. I have often wondered whether the business men of this country will soon forget that panic, which was due entirely to the threat of free silver, and the fear on the part of those having money that we might go to the silver basis. I know, for I'm in the business in which we cannot help knowing, that some of the best and strongest business houses in the country were compelled to pay 10 and 12 per cent. for money during the panic, and as soon as the silver purchase clause was repealed, and nearly all the time since, they have been able to borrow all they needed at the lowest rates—sometimes as low as $3\frac{1}{2}$ and 4 per cent. But many good firms were not able to borrow at any rate,

because the banks had all they could do to satisfy the demands of the people who were scared by the threat of the silver standard and free coinage. And, as you say, while the business of the country was thus paralyzed, and men were compelled to fail on every side, the body which could at any moment have given relief, was wasting weeks of time in needless talk."

"Yes, I have often thought it over. One thing more, Barr, and then you can have the floor. I want to say that I would a thousand times rather be as poor as I am, with my little business that barely brings me a living, than any one of those millionaire silvermine owners, pretending to serve the people, and yet taking care only of their own selfish interests, at the expense of the whole country. While they were talking, the country was going toward bankruptcy. There is only one thing in history to compare it with—and that is Nero fiddling, while Rome was burning."

"A very good illustration, too, Storey. I have found the dates while you've been talking, and I want you to listen while I give you some facts about the Senate vote on the repeal of the Purchase Act of 1890. You remember that Congress was convened in special session in the middle of the summer of 1893. The House of Representatives talked about it for about a month, but finally came to a vote on August 29th, and passed the bill repealing the silver purchase clause of the Act of 1890 by a vote of 240 in favor of repeal to 110 against, a majority for repeal of 130. After that magnificent victory over the free coinage and fiat money men in the House, how

**The Repeal
of the Silver
Purchase Act
of 1890.**

long was it, do you think, before the Senate complied with the evident wish of nearly the whole country?"

"I can't recall the exact time," replied Barr, "but I think it was several weeks; about a month, if I remember rightly."

"It was a little more than two months—over eight weeks—that the United States Senate spent in talk, while the business men of the country were suffering from the severest panic the country ever knew. On October 30th the vote was taken, and resulted in 43 votes in favor of repeal, and 32 votes against it. You will remember that the great majority of the Senators were ready for a vote shortly after the House passed the repeal bill, August 29th, but when a Senator begins to talk, there seems to be no way to stop him till he is completely exhausted. And so, while business men were being compelled to fail, while banks were importing gold in large amounts at a premium, while workmen were being thrown out of work by thousands, the silver Senators were talking against time, in the hope of defeating the repeal bill—were making speeches, not only hours, but days in length. Now, what interests did these men represent, Barr?"

"Well, so far as I have ever been able to see, they represented themselves, and their own selfish interests."

"That seems to come pretty near the truth. But of course they could not have been in the United States Senate, unless some State had sent them there. Storey, have you ever looked at the figures giving the population of the silver States as compared with some

of the larger States of the East, whose business interests are threatened, and would be slaughtered, by free coinage?"

"No, sir; not carefully. I know there's a big difference in population, but I haven't seen the exact figures."

"Well, there's nothing like being exact, when it comes to figures. I have looked up these figures, and would like you and Barr to note just a few. Nevada is a nice little State, which, in the opinion of many citizens, should never have been granted the rights of statehood, because of lack of population. Barr, what is the population of Nevada?"

"I give it up, Mr. Bruce. I suppose it's one hundred thousand, at least."

"It's a little less than half that number. The census of 1890 showed it to be only 45,761. And yet it has two United States Senators, and these two Senators have always been active supporters of the free coinage of silver. The whole State has perhaps

ten or twelve thousand voters—so that it makes what the English would call, with peculiar propriety, 'a nice little pocket borough.' There is hardly a

large town in this State of ours that has not a larger population than the whole State of Nevada, and there are single wards in some of our cities, which exceed its whole population. And yet these few thousand people have as much political power, in the upper House of Congress, as the millions of the great State of New York. What sort of a government do we call this, Barr?"

"Why, we generally call it a Republic—a free, popular government."

"Exactly—and then prove it by giving 10,000 men the same political power that is possessed by a million—making one man in Nevada have the right, so far as the Senate is concerned, of one hundred men in New York. And yet, as regards education, property, and political intelligence, the individual New York man is fully the equal, if not the superior, of the Nevada man. Is that just the fair thing, do you think?"

"Well, it strikes me as an outrage, Mr. Bruce. Can nothing be done to make that right?"

"Nothing at all as regards States already in the Union; but it ought to make us careful about admitting new States. You will see at once how the small population of these nice little States, with their nice little Legislatures, opens the door for the admittance to the United States Senate of men whose only qualification is their wealth. Of course, human nature is still too pure for anything of that kind to have occurred as yet, but we can all see the grave danger with which such a condition threatens our future."

"And I'm not so dead sure it hasn't struck us here and there in the past, Mr. Bruce," said Storey. "But how about some of those other silver States out West? I've read somewhere that several of them have very small populations, as compared with our Eastern States."

"I have a few of the figures here, Storey, and I'll read them to you in a minute. But before we leave the question of the United States Senate, I want to

ask you why the Senators should not be elected by the direct vote of the people, instead of by the Legislature of the States? Don't you think that would close the door to possible fraud?"

"Of course it would, Mr. Bruce. I have spoken to a good many men on that very subject, and I never met one, who didn't approve of electing Senators by the popular vote. I believe the only ones who object to it are the professional politicians, and the cause of their opposition is very evident—they all expect to go to the Senate themselves after while."

"I guess you're about right, Storey. Now, listen to these figures as I read them. Eastern and Western States: They are all from the last United States a few figures. census—that of 1890. I will give you only four Eastern States and then four Western, so that you can compare a like number of each. Now, notice these figures:

New York had a population of	5,997,853
Pennsylvania had a population of	5,258,014
Ohio had a population of	3,672,316
Illinois had a population of	3,826,351

A total of 18,754,534

By the same census:

Nevada had a population of	45,761
Colorado had a population of	412,198
Montana had a population of	132,159
Oregon had a population of	313,767

A total of 903,885

And yet the eighteen millions of the four Eastern States had no greater political power, as far as the Senate is concerned, than less than one million in the four Western States, and yet so far as the higher requi-

sites of citizenship are concerned, they are probably the superiors—at all events, the equals—of the citizens of the Western States. This does not seem like equal representation, or a free, popular government. More than this, you will see how the business interests of this large majority can readily be jeopardized by the foolish or selfish actions of a very small minority. This has already occurred, to the injury of a great many of our people, and, in all probability, will occur again. It is not strange that many citizens hold the opinion that the Senate of the United States, like the English House of Lords, should be abolished."

"But, Mr. Bruce, you would hardly go so far as to favor that, would you?" asked Barr.

"No, not quite that far, Barr, although I think that that part of the Constitution which provides for the Senate is a mistake, because practice has shown that it often defeats the very purpose of our Government—to allow the people to govern themselves. This ought to be 'a government of the people, by the people, for the people,' and the only body that has thus far been able to defeat this purpose is the Senate, a body that represents not the people, but the States; and too often only the selfish interests of the individual Senators."

"How would this plan work, Mr. Bruce?" said Storey. "Let the Senate be chosen by direct vote of the people, and then amend the Constitution, so that revenue laws and all financial legislation must originate in the House, giving the Senate only the right of approval of such laws, and allowing bills passed at two successive sessions of the House, and signed by

the President, to become laws, in spite of the Senate's refusal to approve?"

"That would certainly be a great step forward, Storey, and no doubt the people will be able in a few years to gain more direct control of legislation, for that is their right. But to return to our free-silver Senators. I have tried to show you, in the first place, who it was that would be the gainers by the free coinage of silver, and how immense their gains would be. In the second place, I have tried to show you how they have already interfered with the welfare of the country, and how they may be able, although in a very small minority, to prevent needful action being taken in the future. I think you can now see the great interest of the silver-mine owners, and how they would reap rich harvests from free silver coinage, can you not?"

Senators
"holding up"
the Country.

"Yes; I see now what you meant by your talk about the United States Senators. You think the silver Senators might hold up the hands of the people again, like they did in 1893?"

"That's the danger, Barr, and that it's a grave one, every intelligent man must admit."*

"Mr. Bruce, there's a question right here that I'd like to ask. You said that you didn't think the silver

*The danger here referred to has been strikingly illustrated by the action of the Senate on the Dingley Revenue or Tariff Bill. This measure, intended to relieve the Treasury by providing a greater revenue, thus also affording incidental and greatly needed protection, was passed by the House of Representatives by an overwhelming majority, but was defeated in the Senate on February 25, 1896, by a vote of 33 to 22. Among the Senators who voted to defeat it were five free-silver Senators who had been elected as Republicans, and *professed* to favor protection.

men would be able to get \$1.29 an ounce in gold for all their output under free coinage, and you didn't believe they really expected to themselves. I'd like to ask you, then, how would they be benefited if their price for silver should be on the silver basis, it being impossible then, to keep silver at par with gold?"

"I'm glad you asked that, Storey. I think it must be clear that under the operation of free coinage, with the immense exchange of silver at double the present prices, it would be utterly impossible for the Government to maintain all this mass of silver at par with gold; if it did, we have seen how enormous the profits of the silver kings would be. If the parity of the two metals could not be maintained, the only other alternative is the silver basis: gold worth 200 cents—and the present silver dollar, although still called a dollar, depreciated in value one half. The vast majority of business men in this country are convinced that that would be the inevitable result of attempting free coinage. Now, your question is, if I understand it, how would the silver-mine owners be benefited, that being the case; is that it, Storey?"

"Yes, sir; that's the question."

"Well, the answer is not difficult. Their advantage in that case would be a steady market for their product at a big price. Of course, their profits would not be nearly so great as they would be if it were possible to keep silver at par with gold, but they would still be very large. A few years ago the Director of the Mint reported that the average cost of the production of silver in this country was 51 cents an ounce. Suppose that under free coinage the cost of production

should be doubled—which is not at all probable ; but on that basis the cost per ounce would be \$1.02. Now they are to have the privilege of exchanging all they can mine to the people of this country—the Government—at \$1.29 per ounce, which would leave 27 cents per ounce profit—over 25 per cent. For a steady thing, that would be fair, wouldn't it, Storey?"

"Well, I should say so, sir. So that's what free coinage means, eh? The silver owners are bound to make millions upon millions under free coinage, if the Government should be able to keep silver at par with gold—which they all claim that it will—and they will still make millions, if the country should fall off into silver monometalism, and thousands of the people be ruined by it. It's a pretty nice scheme, isn't it?"

"I think it's a great scheme for them, Storey ; but I also think it won't work. And now, since you see clearly how greatly the millionaire mine owners of the West would be benefited by free coinage, suppose we look at the other side of the question, and see who would be the losers by it. I want you and Storey to understand perfectly this result of the free coinage scheme, for it would affect you directly and more and more disastrously, and you and all workingmen ought to learn just what it means to you and how it will hurt you."

CHAPTER III.

THE FREE COINAGE SCHEME

WHO WOULD LOSE BY IT?

"THAT'S just what I wanted you to explain, Mr. Bruce," said Barr. "I can understand fully how the silver men would reap rich profits from free coinage, but I've never been able to work out the other question to my satisfaction."

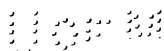
"Very well, Barr, I want this to be just as clear to you as the other. You are directly interested, and so is every other man who earns a dollar in any way, and so is every man, woman and child who ever spends a dollar. I suppose that when you or your wife spend your money, you like to get a dollar's worth for every dollar you spend?"

"That's exactly what I try to do, Mr. Bruce, and as for my wife, she's just as anxious to get 100 cents out of a dollar as I am."

"And neither of you would care to discover some morning that every dollar you had been able to save, and every dollar you would afterwards earn, would only buy fifty cents' worth of goods, would you?"

"Well, not exactly. But you don't mean to say that that is what free coinage would bring about, do you?"

"That's just what I mean to say, Barr, but I don't want to say it only; I want to prove it. It is



as clear as sunlight to my eyes that the free coinage of silver at the present ratio of 16 to 1 means a reduction of nearly or quite 50 per cent.—

What Free
Coinage would
pay Labor:
a 50-cent
Dollar.

that is, one-half—in the purchasing value of every dollar that every wage-earner will receive for wages, or every farmer, or other producer, will receive for his goods. Now, you can see, Barr, that this is a very important question to

the wage-earner and the farmer; in fact, for every man, woman and child who can spend a dollar, for all want to get a full dollar's worth. I want to go slow here, and prove every step of the way, so that you will understand it as well as any one can; so I will ask you to answer a few personal questions, for I want you to apply the results of free coinage (if it should ever be adopted) to your own personal affairs. There's nothing like bringing it home to one's self, to help one understand it. Tell me, if you are willing, how much you are paid by the month?"

"Well, that depends on the work I do, Mr. Bruce; some months it's rather more, some months less. But it will average about sixty dollars a month, I guess, the year through."

"Suppose we say about fifteen dollars a week; is that about it?"

"Yes, that's about the average the year through, Mr. Bruce."

"And you are married and have a family—have you not, Barr?"

"Yes; I have a wife and two children."

"Are you able to save anything out of your wages?"

I have an object in asking you these questions, which you will see in a moment. If you have been able to save anything, tell me what it is and where you have it?"

"Well, of course I can't lay by very much out of those wages, Mr. Bruce, and with a family to support, too. But when we were married, my wife and I agreed that we would save at least five dollars a month, come what would, so that we could sometime own our own home. So I've been paying five dollars a month into the Hope Building and Loan Association here in town, and that's been going on about six years now, so that I have about three hundred and sixty to four hundred dollars in that Association. The only other thing besides that is a five hundred dollar bond of the railroad company, which my wife got from an old uncle's estate a year or so ago: that pays five per cent. interest, and it comes in good, I tell you."

*The American Workingman—
an average
case.*

"I'm glad you mentioned that, Barr, for the income from your bond is at stake, too, for free coinage would reduce that one half, too. Now, let me ask Mr. Storey one or two questions. You were in the Union Army throughout the war, were you not, Mr. Storey?"

"Yes, sir. I served from April, 1861, to the date of discharge, in 1865."

"You were wounded severely once, I think; were you not?"

"Yes; at Gettysburg. I was struck in the right jaw by a bullet, which lodged somewhere in the neck.

You'll hardly believe it, but I coughed that bullet up one day about eighteen years after the battle, and I wear it now as a watch-charm. But it destroyed the hearing of my left ear, and I'll never be the man I was before I was hit."

"I think the Government allows you a pension, does it not?"

"Yes; I get a check for forty-eight dollars every three months."

"Was there not quite an amount of back pension due you when your application was granted?"

"Yes, that's so, Mr. Bruce; I received about eighteen hundred dollars in cash when it was granted."

"Would you mind telling us what you did with that amount. Did you put it in bank, or did you invest it?"

"I put about three hundred in the Savings Bank in town here, where they allow me 3 per cent. interest. With the balance I bought three of the bonds of the railroad company here—five hundred each—the same that Barr spoke of, and, as he says, the interest comes in very good."

"Would your business be sufficient to support you without this regular income from your pension and these bonds, Mr. Storey?"

"No, it would not, Mr. Bruce; I've often wondered what I would do without that pension or those bonds. You see, my wife is still living, and our daughter, who has been an invalid for years, lives with us, and at my age I'm not able to do as much work as I used to; so that it takes all the income

The value of
a Pension to a
Union Veteran.

from the bonds and pension, and the little that I can make beside, to keep us going at all comfortably."

"What is your weekly income, about?"

"Well, let me see. There's the pension: forty-eight dollars every three months, that's about four dollars a week; then there's the interest on the bonds, seventy-five dollars a year—about a dollar and a half a week more; that's five and a half. And I suppose I'm able to clear about four to five dollars a week at my bench, say four and a half on an average; that would make about ten dollars a week, Mr. Bruce."

"Thank you, Storey. Now, then, the situation as to income for both of you is about as follows: Barr receives fifteen dollars a week, saves five dollars a month, has saved already four hundred in the building association, and has a railroad bond for five hundred besides; Storey has an income of ten dollars a week, all of which is needed for current expenses; he has laid up three hundred in the Savings Bank, and has also fifteen hundred in railroad bonds. Did it ever occur to either of you that you were both capitalists?"

"Well, it never struck me that way, Mr. Bruce."

"Well, you are, Barr, both of you. And you are both 'bloated bond-holders,' too. I'm afraid you're getting to be dangerous characters. Of course, you will admit that you are the legitimate prey of the millionaire silver kings of the West?"

Only "bloated bond-holders," after all.

"I can't quite make that out, Mr. Bruce. Do you mean that free coinage will reduce my income?"

"That's just what I mean, Barr. Now, listen to

me, and answer my question, if you can. What would you and Storey say, if your present holdings were reduced just one half? What if your wages, Barr, were cut at one stroke, from fifteen dollars to seven dollars and a half a week; what if your building association stock should dwindle from four hundred to two hundred dollars, and your five hundred dollar bond to two hundred and fifty? And, Storey, how would you get along if your pension should be worth only twenty-four dollars in three months, instead of forty-eight; and how about it, if your deposit in the Savings Bank should fall at once from three hundred to one hundred and fifty, and the value of your railroad bonds from fifteen hundred dollars to seven hundred and fifty? That is exactly what the free coinage of silver at the present ratio would mean to both of you. How do you think you would like it?"

"It would mean almost beggary for me, sir," said Storey, while Barr, who at first seemed too much surprised to speak, finally broke out with:

"It would be an infamous outrage, Mr. Bruce. Do you mean that all the workingmen of the country would be robbed in that way for the benefit of the rich mine-owners of the West?"

"That's about the size of it, Barr. Now, listen to me while I explain to you why it would be so. When you and other workingmen get your wages, what do you do with them? Do you lay them by, as so much to be saved?"

"Why, of course not. We would, if we could, but we have to spend them to live on."

"What do you spend them for?"

"Why, for things to eat and things to wear, and for rent of a house to live in, and so on. It doesn't often worry us to find something to spend them for."

"That is to say, Barr, you use your wages for food, clothing and shelter, and if you can, you lay by a little for a rainy day. Isn't that about it?"

"That's just about right, Mr. Bruce."

"Very well, Barr ; now here's an important question. Is it not true that you, and all other men who receive wages or salary, are working *Not the Dollar,* really, not for the money you get, but *but the Dollar's* for the *money's worth* which the dollars *Worth.* you receive you spend for? Is that not true?"

"Now, let me understand you, Mr. Bruce. You mean that when I get my month's wages, I want to know that every dollar I get will buy a full dollar's worth of goods, and that that is what I work for ; is that it?"

"That's it, Barr ; and a very good way to put it, too. Now, isn't that true?"

"Why, of course it is ; wouldn't I or any man be a fool to work for any amount of dollars a month, if we didn't know whether those dollars would each buy a dollar's worth or not?"

"Well, that's about the kind of fool that the free silver men will make of you, and the other workingmen of this country, if they can get you to adopt their theories. But let me prove this to you. If you workingmen are really working for the *dollar's worth*, and not for the gold dollar or the silver dollar itself, please answer this question : If the worth of the dollars

you receive should be reduced one-half—that is, if they should only buy one-half as much food, and clothing, and so on, as they do now—in a word, if their *purchasing power* should be reduced one-half—would that not be the same as to reduce your wages one-half?”

“Now, Mr. Bruce, let me go slow. That question almost takes my breath away, for I begin to see what you are driving at. You mean this, don't you :

<p>A Dollar that will buy 50 Cents' Worth of Goods.</p>	<p>that if, at the end of the month I get my full pay, sixty dollars, say, and then, when I go to spend it, find that each of my dollars will only buy fifty cents' worth of goods—you mean that that would be the same as cutting down my wages one-half ; is that it?”</p>
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“That's exactly it, Barr. I want to know what you would think of any step that would divide *the purchasing power* of your dollar in two. Would it not be equal to reducing your wages one-half?”

“Why, of course it would, Mr. Bruce; I'm working, not to pile up the dollars themselves, for I can't do that, even if I wanted to. I'm working for what the dollars will bring, and if they'll bring only half as much flour, and tea, and sugar, or only half as good a coat or hat, why, my wages are cut in two, sure. I haven't got over much brains, but I've got enough left to see that with. Is that the trick the free silver men are trying to play on the workingmen of this country?”

“That's exactly what free silver coinage would mean for the workingmen of this country, Barr. I hope the rest of them will be able to see the facts

as clearly as you do. This attempt to induce the people to adopt free coinage of silver at the present ratio does not simply mean the wholesale robbery of the rich, but it means quite as great, or even greater,

Only one of
two Results
could happen.

robbery of the workingmen and wage-earners. Either one or the other of two things would happen: either that the Government would be able, under free coinage, to maintain the silver dollar at par with the gold dollar (which would mean enormous profits to the silver-mine owners, as we have seen) or else that the Government would *not* be able to maintain the silver dollar at par with the gold dollar, in which case the silver dollar would fall to its commercial value (or fifty cents in gold), and then, while a silver dollar would still be called a dollar, its *purchasing power*, which is, after all, the important thing about it, *would be reduced one-half*. Is that not true?"

"It's as plain as day to me, Mr. Bruce."

"Well, now, notice this. With the exception of the silver-mine owners in the West, and a few theorists in the East, who are not at all practical business men, there is scarcely a single reputable man in active business in this country, who believes that this Government could possibly hold the hundreds or thousands of millions of silver dollars, which would result from free coinage, at par with gold. With scarcely one hundred millions of gold owned by the Government at present, how could it possibly maintain ten or twenty times that amount of silver at par with gold? To do so would involve paying out gold dollars for silver dollars whenever demanded, and how can any one

exchange one dollar for twenty, if demanded? Now, as that course is clearly impossible, what would be the result of free coinage?"

"Well, it seems to me it would be the other thing—that is, the Government couldn't keep the two at par—gold would go to a premium, and silver dollars would be worth 50 cents apiece,—that is, they would buy 50 cents' worth, while now they buy 100 cents' worth."

"Exactly. They buy 100 cents' worth now, because the Government is able to hold them at par with gold. But with free coinage, that ability of the Government would disappear, and a silver dollar containing 50 cents' worth of silver would buy in the markets just 50 cents' worth of goods. Now, there are two other facts, both admitted by the free silver men, that prove this. The first is that they deny that they will be so enormously enriched as the figures show they will be, if the 37 $\frac{1}{4}$ -grain silver dollar is maintained at par with gold.

**Free Silverites
do not expect
Silver to be
kept at par
with Gold.**

This denial on their part simply proves that they do not expect that the parity of silver with gold could be maintained by the Government, (in spite of their repeated assertions that it can be and will be). The second fact is, that they continually assert that the free coinage of silver will greatly increase prices. This is only another way of saying that the *purchasing power* of the dollar will be greatly reduced, for any child can see that to increase the price of goods so that twenty dollars will only buy ten dollars' worth of goods, is just the same as to cut twenty dollars in two. You can see that, Barr, can't you?"

"Just as clear as daylight, sir. You mean that if by some hocus-pocus my sixty dollars should buy only thirty dollars' worth of goods, it wouldn't make any difference to me whether it was called an increase in price, or a reduction in purchasing power—the result would be the same, a reduction to me of one-half of what I get for my work? And it would be the same for all other workingmen, too. That's your idea, isn't it?"

"Exactly ; and very well put, too. But it wouldn't affect workingmen only, either. It might perhaps affect them most seriously, because their reward for their labor is generally the lowest ; but it would also seriously affect all persons who receive salaries, or live on fixed incomes, no matter from what sources derived. By the way, what does your road pay the day-laborer—I mean for the poorest paid labor?"

"About one dollar and ten cents to a dollar and twenty cents a day."

"I thought it was a little over a dollar a day. That makes about six or seven dollars a week for the laborer's wages. Now, Barr, divide that by two, which is what free silver would really do, and tell me how such men are to live and support their families?"

How free
Coinage would
affect the
Day-laborer.

"They couldn't do it, sir. It's all they can do now to make both ends meet. If free silver coinage would do that, and it should be attempted, I believe it would almost drive those people to an attempt at revolution. How could any one be expected to live on three to four dollars' worth of goods a week, to say nothing of supporting a family, as many laboring men have to do?"

"I agree with you, Barr; I don't see how they could do it, and I think there would be grave danger in compelling them to face such conditions; and yet that is exactly what the free coinage of silver at the present ratio means. I can see no other result to be derived from it: on the one hand, the enrichment of a small class of people—those interested in silver mines; on the other, the impoverishment of a very large class of workingmen, already in many cases underpaid. But let us look for a minute how it would affect some other classes. For instance, take Storey, here; how would it affect you, Mr. Storey?"

"Well, so far as I can see, Mr. Bruce, it would hit me quite as hard as it would Barr. I suppose my pension and my interest on the bonds I hold, would come to me in silver dollars—that is in dollars having a purchasing power of 50 cents each, as compared with our present dollars."

**How Free
Coinage would
affect Small
Incomes.**

"Just so, Storey; I can see no other result, if free coinage should be adopted, and I want to see and know the truth about this matter as much as anyone. How would that result please you?"

"Well, it would just break me up, and no mistake. I am barely able to get along now, and if my income should be reduced one-half, I suppose I'd have to get ready for the poor-house. Not a very pleasant outlook for an old soldier, who gave his money-making ability to his country, and then finds himself deprived in his old age of his means of honest support. I suppose the only grain of comfort I would have, would be that there were plenty others like me."

"And there isn't very much comfort in that, either. When a man is robbed of half his goods, it doesn't help him much to know that his next-door neighbor has been robbed, too. But now, I want you to take a wider view of the situation, and see how it would affect all who receive a fixed income. There are many thousands of clerks, school teachers, and professional men in our country, who receive fixed salaries. Does any one imagine that these salaries will immediately be doubled, if free coinage should be adopted? Do you think that is likely, Barr?

"I reckon it's about as likely as the sudden doubling of my wages by the railroad I work for, and that's about as likely as a blizzard on the 4th of July."

"Just about. And yet every one of this salaried class would, under free coinage, find himself paid in dollars having one-half the purchasing power of our present dollars, and that is the same, as anyone who can add two and two together can see, as to suffer a reduction of one-half in his salary. How is that reduction to be made good to this large class?"

**How Free
Coinage would
affect Salaries
and Fixed
Incomes.**

"I give it up, Mr. Bruce; I can see no way in which they are to be made whole again, except by having their salaries doubled."

"That would be the only possible way, Barr, and no man with a reasonable mind would expect that to happen. Take, for instance, the Judges of our County Courts, who receive a fixed salary of four thousand dollars a year. Free coinage would be to each one of them the same as a reduction to two thousand a year,

and the only way to make them whole again would be to increase their salaries to eight thousand dollars—fifty-cent dollars, of course, under free coinage; and no one would expect such an increase to be granted by any Legislature to be soon elected in this State. But there is another large class that would be most disastrously affected by free coinage, and this is practically a helpless class, too. I mean the women and children of our country who are living upon fixed incomes. Have either of you any idea of the large amount of property in the hands of this class of persons?"

"That reminds me, Mr. Bruce," said Storey, "that I lately saw the statement in print that in the city of Philadelphia alone, there were over thirty-seven millions of personal property owned by women."

"Yes, and remember, Storey, that that was only in one city of our country and represented only one kind of property,—stocks and bonds, and other personal property. The large holdings of real estate held by women were, of course, not included. The income derived from this immense holding of personal and real property, throughout our country, must be very large; and this income, which in

**Free Coinage
versus
Defenceless
Women and
Children**

a large measure has been provided by men as a protection for their wives and children after their death, means the very existence of the women and children to whom it belongs. It means food, and clothing, and shelter, and education and the comforts and necessities of life, to thousands and hundreds of thousands of widows and orphans;

people who are practically defenceless, and whose very existence depends upon the solvency and stable value of their invested estates. Now, suppose those fixed incomes to be reduced one-half, as they surely would be by free silver coinage, and what would be the result?"

"Why, that would even be worse than the way Storey and I would be fixed, Mr. Bruce. I suppose we could worry along somehow, even on one-half what we're getting now; but how on earth those women and children could get along, many of them, at least, is more than I can make out. Why, free coinage would be the meanest, and lowest, and biggest piece of robbery the world has ever seen."

"That's just about the size of it, Barr; and if there is any escape from it, I have not been able to see it, or to imagine what it can be; nor have I been able to see how the free silver men would enable these people, and all of us, to escape this reduction in income. Their usual answer is a sneer, but sneers would be but a poor compensation to people deprived of their living, for the enrichment of mine owners. But there is another class who would be greatly injured by free coinage, although the free silver men claim that they are to be its chief beneficiaries. I suppose you know to whom I refer, Mr. Storey?"

"I rather think you mean the farmers, don't you?"

"Yes; you are right. Let us see how the farmers would really be affected by free coinage. They are usually referred to as producers, you know, and the free silver men tell us that the producers are to be greatly helped by free silver coinage. But in reality

the farmers are consumers as well as producers. What do farmers produce, Barr?"

"Why, wheat, corn, oats and other grains; fruits and vegetables, too."

"Yes, but with the exception, to a limited extent, of their fruits and vegetables, they produce but little that they can consume. And yet they are consumers. To hear the average free coinage advocate, one would think the farmers spent no money, but swiftly piled up all the dollars they received. But if that were the case, all farmers would be wealthy. Now, what do they spend their dollars for, Barr?"

"For just the same things, mostly, that the rest of us do. As you put it, for food, clothing, shelter, etc."

"Exactly. And I know of no class in the country that is more directly interested in getting dollars of full purchasing power for what they produce than the farmers are, although some of them do not seem to realize this fact. Many of them have been deceived by the cry of the free silver men that the silver dollar is the money for the producer, forgetting that while they are producers they are also consumers, and this in almost as great a degree as any other class. They produce wheat, but they don't eat wheat, and before they can consume it, it must be turned into flour, and they must pay the miller for this service. They produce corn, but their families do not eat corn, nor wear it, and they must first sell it, before it is of value to them. Their wheat, corn and other produce is to them just what your labor is to you—something by

**Free Coinage
and the
Farmers:
How it would
affect them.**

which they get other things of value to them—and for this produce, when they sell it, they want to get the best money—not the poorest. Suppose, for instance, that a farmer has sold his crop of wheat for one thousand dollars, and has taken silver dollars in payment, and has them over night in his house, Now, let us suppose that free coinage should be enacted suddenly during the night, and that in the morning the new law should be in force, and that the farmer should find that each of his silver dollars is worth 50 cents, and his one thousand dollars has shrunk to five hundred in purchasing power—what do you think would happen then, Barr?”

“I reckon there'd be a pretty loud protest from somebody about there. But, Mr. Bruce, under free silver, don't you think the prices of the farmer's produce would go up, and wouldn't that fact save him from loss?”

“Yes, you are right. I was coming to that point, for that is the difference between the position you workingmen occupy, and the position of the farmer. While it would be a long day before your wages would be doubled—and probably that day would never dawn,

—the prices of the farmer's produce, seeking a market every day, and measured under free coinage in depreciated silver dollars, would of course soon advance, and in all probability would advance largely. But how would that be any advantage to him, when the advance in price is lost, or more than lost, in the depreciation of the purchasing power of the silver dollars he would then receive? Let us suppose that in-

**A Wheat Crop
sold for 50 cent
dollars.**

stead of receiving 75 cents a bushel for his thousand bushels of wheat, which would bring him \$750, he should be able, under free coinage, to sell it at \$1.25 a bushel: how much would it bring him at that price, Barr?"

"Let's see; one thousand bushels at \$1.25—why, twelve hundred and fifty dollars, of course."

"Yes; but under free coinage, every one of his silver dollars has a real value, a purchasing power, of 50 cents. Now, measured in that way, how much has his crop really brought him at the advanced price?"

"Why, only one-half of the twelve hundred and fifty dollars, or six hundred and twenty-five dollars."

"That is to say, that while at present his crop at 75 cents would net him \$750, under free coinage it would net him \$625 of the same kind of money—dollars worth 100 cents, of full purchasing power. Would he then gain, or lose, by free coinage?"

"Why he would lose \$125, of our present dollars, or \$250 of the free-coinage dollars."

"Of course he would. And for the farmer to come out even under free coinage, it would be necessary for everything he produces to sell at just double the price it does now. It is barely possible that the prices of his produce would double at once—but it is also possible that they would advance gradually. Anything less than a quick and complete doubling of prices of all his produce would mean loss to him, as compared with the present conditions. As soon as they all realize this—and a great many farmers already know it, for the American farmer is, as a rule, both intelligent

and honest—they will see through the attempt of the free coinage men to mislead them. No honest farmer can possibly gain anything from the free coinage of silver, and he may lose much. When brought face to face with the danger of receiving depreciated silver dollars, worth 50 cents each, for his produce, and the necessity of spending these for goods at about twice the present price—when the farmers of the country face this problem, which is the reality that free coinage would present to them, they will quickly realize that there is nothing but risk of loss for them in free coinage, and they will help defeat it overwhelmingly, as it should be."

"It seems to me, Mr. Bruce," said Storey, "that there's another class of people that we haven't spoken of yet, that would in reality be the worst sufferers from free coinage."

"Who are they, Storey?"

"Well, the special ones I refer to are the large class of sewing women in our big cities. You spoke, you remember, of the large class of women and children living on fixed incomes, and that led me to think of this other class. I'm sure they would be hit harder, and hurt worse, by free coinage than any other class in the whole country. Most of them, you know, are so horribly underpaid that it's a wonder how they keep body and soul together. Take this case, for instance: I know a woman living in the city,—a widow with several children to support. She lives in two or three back rooms of a little house, for which she has to pay an exorbitant rent. By work-

**Who would be
the Worst
Sufferers from
Free Coinage?**

ing from daylight in the morning until late at night, she can make from 40 to 50 cents a day—say from \$2.50 to \$3.00 a week. How she is able to make that much money keep the family alive, I don't see, to say nothing of the clothes and the rent. Now, wouldn't free coinage divide her income in two, just as it would Barr's and mine?"

"Exactly, Storey. At least, I can see no help for it; I do not believe her earnings would be doubled under free coinage, and I'm sure the dollars she would then receive would only have one-half the purchasing power of our dollars at present—so it would virtually be a reduction of one-half her wages,—to her and the rest of the large class to which she belongs."

"Well, in that case free coinage would simply mean starvation to her and her family, and to all others like them—and there are plenty. Why, only think of the large numbers of girls and boys working in the large stores and in the big mills through the country, who only make from \$2.50 to \$5.00 a week. How in the world would they get along with their small wages reduced one-half? To Barr and myself, and men like us, free coinage would mean wholesale robbery of our incomes, and perhaps dependence upon charity, but to thousands of this large class of underpaid working-people it would mean extreme want, if not starvation itself. Is it possible that any men can advocate a cause that will do that?"

"Not consciously, I suppose, Storey. But I can see no other result possible. It is not a pleasant picture to contemplate, but it is one that should be commended to the close attention of the free coinage

men in the West—the millionaire silver-mine owners, who feel the need of a big market at double the present prices for the output of their mines, and who appear to be utterly unscrupulous as to who may suffer, if they only gain that end.”

“Yes. I’ve been reading some of their bold speeches as to what they will do, and what they won’t do, unless the country pleases them and ruins itself by rushing headlong into free coinage. From their

talk one might think they owned this whole country, instead of a very small part of it, and would run everything to suit themselves. They will find, after awhile, that the people of this country

can still think for themselves, and will then find their proper place in the background. But it passes belief that any set of men could be willing to inflict such injury upon others, and especially upon a class of helpless, dependent working-women.”

“Yes, but you must remember, Storey, that they would not do it intentionally. They believe, or profess to believe, that their free silver policy will not work the injury that we can see is inevitable. I suppose it hurts a man just as much when a brick strikes him on the head by accident, as if it were thrown intentionally, but the accident helps to excuse the guilty party. But what makes the situation especially hard for women who earn their living in our country is this fact: that while they must suffer from bad legislation, they have no voice in shaping it, or, as in this case, in warding off disaster.”

“That’s so, Mr. Bruce,” exclaimed Barr. “I’ve

often thought of that. We place our educated white women on the same plane, politically, with our insane, our criminals, and the Indians of the far West, and on a lower plane than the ignorant colored men of the South, and the ignorant foreigners, who know little or nothing of our laws. That's due to our enlightened American sense of justice and equal rights, I suppose—and to our high estimate of what our mothers, wives, and sisters rightly deserve.”

“It's an outrage, Barr, and in the present case it's a terrible hardship. Compelled to face a policy that means starvation to many, and great reductions in incomes to all, they have no political power by which they can do effective work against the great wrong that is threatened. But if deprived of political power, women still possess political influence, and if they will use it they can still do much to avert the danger of free coinage—a danger that menaces them quite as much as it does men.”

“Well, it seems to me it's a pretty cowardly way to treat people, especially women and children—tie them up so that they can't help themselves, make them accept wages that will barely keep them alive, and then, in order to give greater riches to men already rich, cut down their poor wages one-half, and leave them to starve. It hardly seems human, does it, Storey?”

“It certainly doesn't, Barr. But if free coinage should become the law, you and I, and all other work-

**The American
Sense of Justice
and Equal
Rights for
American
Women.**

**The Free Coin-
age Treatment
of Defenceless
Women and
Children.**

ingmen would be in the same boat, or in nearly as bad a condition, so we had better do what we can to prevent it. We are greatly obliged to you, Mr. Bruce, for what you have told us. But it is too big a subject to get through with in one evening, and it's getting late. I think Barr and I had better take our leave. He ought to have enough facts now to get on with at the Club all right."

"Why, we have only begun to get rightly interested, Storey. Still it *is* a broad subject, and perhaps it would be better to quit our talk for this evening. But could not you two call again some evening before long and see if we cannot get further into it?"

"That's just what I would like to do, Mr. Bruce," said Barr. "I have a lot of questions I want to ask you, especially about the law of 1873, and other things that Stewart is forever harping on, and which I want to reply to him on."

"Very well, suppose you and Storey call again a week from to-night, and we'll try it again. But before you leave, I want to suggest that both of you try to discover what is the strongest argument of the free silver men, and present it at our next meeting, and see if it can be answered."

"All right, sir," said Storey. "I think that's a first-class idea."

"And now, Barr, before you go, I want you to tell me what you have learned this evening. I see you have been making notes as we have been talking, and I would like to know what they are. Suppose you read them to us."

"I've just jotted down a few notes for my memory, Mr. Bruce, to help me when I have my next talk with Stewart. They're all in the rough yet, and I'll have to polish them off before I use them at the Club; but I'll let you have them just as I have them here, if you'll excuse appearances."

"Certainly, Barr. Go ahead, I want to see if you've got your notes straight, for I want you to be able to convert Stewart before our next meeting."

"No danger of that, sir. What's the old saying—
'A man convinced against his will, is of the same opinion still.' No, I don't expect to
A Working- convert Stewart from his present way of
man's Notes thinking, but I think I can give him
on Free something more to think about. My
Coinage. first note is this: 'Boys of 12, and
owners of silver mines, are the only persons who can
understand the free coinage side of the question.'"

"Very good. And we had better let them have a monopoly of it. But you had better tell your friend Stewart that you have left his teacher, 'Coin,' and his 'School,' too, to the tender mercies of Horace White, and there isn't enough left of them to make a reply to."

"I'll make a note of that, too, Mr. Bruce. My second note is: 'Silver-mine owners have the biggest personal interest in free coinage in the way of profits, and are at the bottom of the whole thing. Better watch them.' My third note is: 'What the mine owners would make out of free coinage, taking them at their word, wouldn't leave a scrap for the rest of us.'"

"Very good again, Barr. Don't forget to give Stewart their own words as to keeping silver at par with gold, for this proves how immense their profits would be. The 'scrap for the rest of us,' which you mention, would be the worst panic the country has ever seen, and in all probability greater distress resulting from it than any country in the world has known."

"My next note is: 'Free coinage is the greatest scheme for the legalized robbery of a free people the world has ever seen; it's bigness is only equaled by it's cheek.' My fifth is: 'When the free silver men tied up the United States Senate, while the country was in the midst of the panic, they forfeited all right to any consideration from business men.'"

"'And you might add something right there, too, about a small minority making laws in a Republic for a great majority, or one man in Nevada having equal power in the upper House of Congress to one hundred men in New York,' said Bruce.

"I have that here in a little different form; I put it in the shape of a question that I want to put at Stewart. Here it is: 'Why should one one-hundredth of a man in Nevada be equal to one whole man in New York or Pennsylvania?'"

"Very good. Don't forget to ask him that. I would like to hear his reply."

"My next note is: 'When a workingman agrees to work for one dollar or for two dollars a day, he wants to be paid in dollars that are worth one hundred cents each, and not in fifty-cent dollars.' My next is: 'To rob a day laborer of half his wages, or a

working-woman of half her pay for sewing or washing or other work, by making them take debased coins in pay, is the meanest form of robbery that any one could commit.' "

The Meanest
Form of
Robbery.

"Very well put, Barr ; you are a good hand at boiling down the facts."

"My last is another question for Stewart : 'How much more does a farmer get for 1000 bushels of wheat at \$1.25 a bushel, paid in fifty-cent silver dollars, than for the same number of bushels sold at 75 cents a bushel and paid for in 100-cent dollars?' "

"Very good, indeed. I think that will help him do a little more thinking than he has yet done on this subject. Now, don't forget, each of you, to look up the strongest argument of the other side before next week, and come prepared with all the hardest questions you can think of. I may not be able to answer them, but I'll be glad to hear them, and will try to investigate them."

The guests then took their departure. "Old man," said Barr to Story, as he left him, a few minutes later, "if you get as eloquent at the club as you were to-night, I'm afraid I'll lose my reputation as the 'talking member of the crew.' "

CHAPTER IV.

THE FREE COINAGE SCHEME

HOW ITS FRIENDS WOULD JUSTIFY IT—THE LAW
OF 1873.

"WELL, gentlemen, I'm glad to see you," said Mr. Bruce, as he ushered his guests into his library one evening, a week later. "I hope you've come loaded with hard questions and harder arguments, so that our talk may be as interesting as it was the other evening."

Their Second Talk: Some Difficult Questions to Answer.

"I think I'm better posted this time, Mr. Bruce," said Barr, "and as for Storey, here, I'm sure he's got two or three puzzlers for you. At any rate, they go beyond me, but I hope you'll be able to settle them for us."

"I guess you'll not have much trouble, Mr. Bruce," said Storey, "for I discovered at our last meeting that you were well posted on this question. I have two or three questions that are rather difficult to work out, at least to my mind, and I want your help. But before I speak of them, there is one matter connected with our talk last week, that I want to speak about before I forget it."

"What is that, Storey?"

"Why, I want to ask you about the large class of merchants and manufacturers. I noticed not long ago

a series of resolutions in favor of free coinage, that had been adopted by some mercantile organization, and I confess I couldn't understand it. I suppose those merchants thought that the increased selling price of their goods would be of great advantage to them?"

"Yes, I suppose that was the underlying cause of their resolutions."

"But how would that really help them, Mr. Bruce? Suppose they did get nearly or fully twice as many silver dollars for their stock of goods, they would have to invest that money in more goods, wouldn't they? And if the purchasing power, or debt paying power, of those new dollars was only one-half of the present gold-standard dollars, how would they be any better off? I confess I can't see it."

"No; nor can I, Storey; nor can any other level-headed man. It is surprising that so many otherwise reasonable men have allowed themselves to be captured by the cry of higher prices. A moment's thought should be enough to show any merchant that free coinage has nothing for him but the prospect of loss. The trouble is that many of them

**Merchants
who see only
One Side of
the Account.**

only look at the higher prices on the one side—on the side of the goods they sell. But if such prices apply to the goods they sell, why will they not equally apply to the goods that somebody else will sell to them—that is, the goods they buy? If a merchant sells a stock that cost him \$2500 for \$5000, and then turns around and pays \$5000 for a new stock

about as good as the first, what has he gained? And so with the manufacturer. His manufactured goods may bring in double the former number of dollars, but if each of the new dollars is worth only 50 cents, how is he benefited? Or, if his new stock of raw material all round is to be doubled in price, how will he gain anything there?"

"But, Mr. Bruce, wouldn't the manufacturer be apt to gain in the reduced wages he would pay his workmen?" asked Barr.

"That would be true, Barr, with one important proviso. Provided he could induce his workmen to accept the reduced wages. We have seen that the practical effect of free coinage, so far as the workingmen are concerned, would be a reduction of one-half. They would get the same number of dollars, and it would *sound just as big*, but the purchasing power of their dollars would be lessened one-half. How soon, do you think, would manufacturers be willing to double their workmen's wages, and thus make them whole?"

"Well, I reckon they wouldn't tumble over one another in their anxiety to multiply wages by two. They are not often affected in just that way."

"No, and such a desire to raise wages would not be apt to strike them all suddenly. No doubt some manufacturers would be inclined to increase wages, but unless all would do so, the workingmen would be losers. How long would it take for the average workingman to realize that his wages, because of the lessened purchasing power of the silver dollars he

received, were greatly reduced? You're a workingman, Barr, so you can give me the right answer to that question."

"Well, I should say it would take about as long as it would for him to spend the first dollar after he was paid. He'd be apt to have a pretty thorough realizing sense of it then, I imagine. At least, I'm sure I would."

"Yes, and so would all other workingmen. And what would be apt to happen then?"

"Well, something like an earthquake, I guess. If all the workingmen in the country should be cut down in wages one-half at one time, I guess the machine would stop running for awhile."

"Yes, I imagine it would. Undoubtedly, there would be a series of strikes all over the country, which, added to the general business depression, and financial disturbance, would be a thousand times worse than the depression from which the country is slowly recovering. Who would reap any advantage from such a condition of affairs?"

**Effect of Free
Coinage on
General
Industry.**

"Well, so far as I can see, the only class that would be benefited by free coinage is the small class of silver-mine owners in the West."

"And you're just about right. With them you can place the still smaller number of those who hold stock in silver mines, who are scattered all over the country, and who have exactly the same reason for desiring free coinage as the mine owners of the West; in fact, so far as their stock goes, they *are* mine owners. With the exception of this comparatively

small class, all others would be most disastrously affected, and some absolutely ruined."

"But, Mr. Bruce," said old Storey, "the free coinage men declare continually that the great debtor class, those who have mortgages on their farms, etc., will be greatly helped by the adoption of their plan. They say that free coinage will help this class immensely. What do you think of that claim?"

"Well, Storey, I think this of it: it is the most impudent piece of special pleading for a bad cause, and the most insulting proposition of dishonest action, that

honest and intelligent men have ever presented to them. Let me ask you a question, that will illustrate fully what I mean. Suppose you needed a loan of one hundred dollars, and some friend was kind enough to make you the loan. When you received the money, and gave your note for it, you would feel some sense of obligation, would you not?"

"Why, certainly I would. I suppose I would feel thankful just in proportion to the greatness of my need of the money."

"Exactly. Now, suppose that about the time your note fell due, some fellow should come along and propose that you offer only fifty dollars for your note, and claim that that was in full settlement, what would you think of him and his proposition?"

"I'm rather inclined to say that I'd think he was trying to make a thief of me, and wasn't any better than one himself."

"Yes—and you would think so because you are an honest man, and believe that you must pay your

debts in full. So, in reply to that proposition of the free coinage men, I have just this to say : the debtor class in this country, as a rule, is as honest as the creditor class, and they wish to pay one hundred cents on the dollar—not fifty ; and they regard as

Free Coinage
Proposition to
Debtors : an
Insult to In-
telligence and
Honesty.

an insult to their honesty and intelligence any proposition that they pay their debts in money of less value than that they received when they borrowed it. In a word, no *honest* debtor has anything to gain from free coinage, and all such debtors know it. It is only the dishonest debtor, who would take advantage of any way of escape from paying his debts, who hails with joy that proposition of the free coinage men, and puts himself in line with them."

"To my mind," said Barr, "it would be just as honest to refuse to pay debts altogether, as to offer to pay only half of them. If a man is going into the business of repudiation of debts, he might as well not be mean, but go the whole thing at once ; one's just as honest as the other."

"I agree with you there, Barr. If a man owes me \$100, and tries to make me take \$50 in full payment, his act is the same in quality, if not in degree, as if he tried to repudiate his debt altogether."

"There's another thing about this cry of the debtor class, Mr. Bruce," said Storey, "that I've been thinking about. Who is the debtor class, anyhow? Is there any way of distinguishing the debtor class from the creditor class?"

"I'm glad you have mentioned that, Storey," replied Bruce. "It only requires a moment's thought to see that you can't separate people into these two classes. Nearly every business man in the whole country—every manufacturer and nearly every farmer—is both a debtor and a creditor. You workingmen also belong to both classes at one and the same time. All of us have money owing to us—that makes us creditors; and most of us owe some money—which makes us debtors. I only know of one class of people that belongs neither to the debtor nor the creditor class."

"And who are they, Mr. Bruce?"

"Why, the tramps. They seem to have no debts due them, nor to owe debts—none, at least, that can be collected. So we can say that with this exception, all the people belong to both the debtor and creditor class all the time."

"How do you make that out as to the workingmen, Mr. Bruce?" inquired Storey.

"Why, very easily, Storey. Take yourself and Barr, for instance. You told me the other evening about your investments—about your bonds, and your deposit in the Savings Bank, and Barr's bond and stock in the Building Association—all that represents money due to you, doesn't it?"

All Business
Men and all
Workingmen
are both
Debtors and
Creditors.

"Yes, sir; that's so."

"Well, that makes you both creditors, and there's no escape for you. You belong to the dreadful class that the free coinage men despise so heartily. You had sufficient faith in other men

to trust your money to them, so they are debtors to you, and you can't help yourselves from being creditors."

"That's true," said Barr. "Well, I never thought of myself as a creditor before. But I see I can't help it; I'll try to be resigned."

"Yes, be resigned, and try to believe that your debtors won't rob you of what they owe you, unless compelled to do so by free coinage—and fortunately that isn't likely to happen. But you are debtors, as well as creditors. Storey, when you buy leather, do you always pay cash for it?"

"No, sir. I generally get it on thirty days' time, and as I have to make purchases about once a month, I'm almost always in debt to some extent."

"So you belong to the debtor class. And you, Barr, do you pay cash for everything as you go?"

"No, I do not. You see, we railroad men get paid only once a month, so I always settle with the grocer, and butcher, and baker, and so on, just after I'm paid. I see what you mean: that I'm both a debtor and a creditor, too, and so are all other workmen, and all business men, too. And I see that you are right about it, too."

"So you see, as Storey said, there's no such thing as separating people into the debtor class and the creditor class, as the free coinage men are continually trying to do. We all belong to both, and we always will. Take the farmers, for instance. From the way they are represented by the free coinage men, you might think they never had any money owing to them, but were always in debt, and in debt only.

Now, I suppose that the average farmer has debts due him as often, or nearly as often, as any other class of our people."

"Well, if he hasn't," said Storey, "if he always gets paid at once in cash, he's an extremely fortunate individual."

"I should say he was. It is possible that there are some farmers who are only debtors, and never
Farmers as
they really
are—Honest,
Intelligent,
Independent.

creditors, but farmers, as we know them in this part of the country, are generally both debtors and creditors, like the rest of us. Why, strange as it may seem—and from the free coinage standpoint it must seem an absolute impossibility—there are actually farmers in this part of the country who not only own their farms, but many own more than one; many have money out at interest; some have been so generous as to loan money away out in the 'wild and woolly West,' where free coinage ideas thrive, and some of these would be glad to have their dollars back again; some are even so wicked as to be bank directors and try to take good care of the money entrusted to them. In fact, farmers, as we know them, have always been the most independent class of our people, and as highly respected as any—an honest, hard-working, hard-headed, intelligent and independent class of citizens."

"I agree with you, Mr. Bruce," said Storey; "and I don't believe the American farmer will relish the picture the free coinage men make of him. To judge the farmer from what they continually say of him, you would think he was a poverty-stricken,

dishonest rascal, whose only object in life was to escape paying his just debts: either too poor to pay for anything he buys, or too dishonest to want to pay for it. It seems to me that for the only two characteristics which the free coinage men allow the American farmer—that of eternal pauperism or continual dishonesty—the farmers oughtn't to think they owe a very big debt of gratitude. I wonder they don't resent the pictures that are drawn of them. Even if they are poor, as many of them are, the free coinage men might at least credit them with being honest, or at least with the desire to be so. That is, at the very least, their due."

"I fully agree with you, Storey; and I think that when the farmers are heard from by the free coinage men, it will be found that they do not lack the old characteristics of American manhood—intelligence and honest purpose. Nearly all of them will pay their honest debts in as good money as they received, if the free coinage people will allow them to do so, and I rather suspect they won't be able to prevent it. I believe they do resent the false picture that is drawn of them. I confess I don't like to see

<p>Farmers as Represented by Free Coinage— Both Poverty- Stricken and Dishonest.</p>	<p>our farmers represented as standing, hat in hand, begging for charity because of 'poverty,' or in that other worse way, as trying to run away from their just debts, and leaving in the lurch the person who has been willing to trust them."</p>
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"But, Mr. Bruce, you do think the farmers have been having a hard time of it the past few years, don't you?" inquired Barr.

"I certainly do. But, then, who hasn't? They are not alone in their suffering from the last few years of general depression in business. All classes have felt it: the merchants, the manufacturers, the workmen, rich and poor alike. I do not believe the farmer has suffered any more than the rest of us, and he could hardly expect to be exempted from all loss when the whole country has been affected, could he?"

"No, sir, that's so. I don't see why he should. He's in the boat with the rest of us, and has to take the weather as it comes."

"You are right, Barr. And now let us try to see how the free coinage men attempt to justify the immense wrong they would like to inflict upon the people—this scheme of self-enrichment at the expense of the whole country—this scheme that, if successful, would inflict such injury upon our workingmen, as well as upon all other classes. Suppose you tell us, Barr, how they attempt to justify this attack upon the interests of the whole nation, and their repeated assaults upon our national honor and credit."

"Well, so far as I can see, Mr. Bruce, the only excuse they hold out is what they call 'the crime of 1873'—that is, the law of 1873."

The Free
Coinage
Excuse—the
alleged "Crime
of 1873."

"Exactly. To justify this attack upon the business interests of the country, this attempt to revolutionize the monetary system of the greatest nation of the earth, they claim that a 'gigantic crime,' an 'unholy conspiracy,' and so on, was accomplished 'secretly and stealthily,' in the year 1873, in and by the Congress of this nation,

and that they will now right that wrong by persuading or compelling the people to commit against themselves the greater wrong involved in free silver coinage. What did the law of 1873 really do, Barr?"

"Why, the free silver men say that it 'demonetized' silver, but as we have had a good deal more silver as money since that date than ever before, I'm not quite able to see that that word fits the case."

"No, and a great many others cannot see it, either. As a matter of fact, the United States Government never took away from a single silver dollar that it had coined its legal tender quality or money value, and no man can produce a single dollar that was ever legally deprived of its money function—in other words, our Government never 'demonetized' a single silver dollar. All that the law of February, 1873, did do, was to 'discontinue the coinage of the silver dollar' and to make the gold dollar the sole standard and unit of value. And I have not the slightest doubt that no more beneficent law, from the standpoint of national honor and commercial prosperity, was ever enacted by

Admitting
their Claim,
still they're
without a
Cause.

any Congress that ever met in this country. But more of that later. I want now to show you that, accepting the assertions of the free silver men as worthy of some belief (which I will soon show that they are not) and, simply for the sake of argument, admitting all that they say against the law of 1873—I want you to observe that, admitting all this, they still have no good excuse for their attempt to force upon the country all the immense

injury involved in free coinage. Barr, tell us how long ago was 1873?"

"Well, I guess you're able to tell that yourself, Mr. Bruce. Just about twenty-three years, I make it."

"Thank you. I asked you the question because I want especially to call your attention to that number of years. Twenty-three; almost a quarter of a century. Now, Barr, tell us, what has been the standard of this country since February, 1873."

"Why, the gold standard, of course. All the free silver men are shouting that all the time. That is the great 'crime' they are complaining of."

"Well, let them complain. I'm proving to you just now that they have no reason to complain. There can be no doubt, then, that ever since 1873 we have had the gold standard in this country. Now, Mr. Storey, can you tell me how long the average life of the mortgage debt is in this country?"

"I've seen it stated in the newspapers as being about five years."

"That is correct. That is the evidence shown by the books of the large trust companies who loan many millions on mortgage. Now, Barr, you begin to see what I mean, don't you?"

Only the
Single Gold
Standard
Since 1873.

"You mean that no mortgages that are outstanding to-day were given as long ago as 1873; is that it?"

"That's just about it. I mean that scarcely a mortgage debt, or any contract made in 1873, or prior to that date, is now outstanding. I mean that the

United States Loans, with but slight exception, have been refunded since then, and that on a gold basis; I mean that all debts contracted since then have been on a gold basis; and I ask you how the law of 1873, even admitting all that the free silver men can say against it as a 'gigantic crime,' etc., can with any justice affect or invalidate any contract or debt of any kind made since then, as all of these have been on the acknowledged gold basis, and every debtor has received gold value in money borrowed or goods bought, and every creditor has given gold values."

"Well, I think you rather have them there, Mr. Bruce," said old Storey, quietly smiling.

"And more than that," continued Bruce, "I want to say that, if that law of 1873 had any bad effect at all, it had it in 1873; and if anybody was wronged, he was wronged then; and that, admitting again all that the free silver men say against that law, this attempt of theirs now to force the country to free coinage, which means the silver basis, is simply an attempt to right a wrong, to adopt their words, committed nearly a quarter of a century ago, as they claim, by committing a greater wrong now.

Free Coinage
full of
Injustice.

In good morals, two wrongs can never make a right, and there can be no justice in making the men and women of to-day suffer for a wrong of twenty-three years ago, in which they had no part. So that, even admitting all that the free silver men say against the law of 1873, they have absolutely no case at all. Isn't that so, Barr?"

"Let me see, Mr. Bruce, it's about like this,

isn't it? You mean that if the people who were in business twenty-five years ago had done something wrong when I was a boy and I had no part in it, it wouldn't be the square thing for the injured party to come along now and hold me responsible for it, and try to punish me for it? Well, I don't think it would."

"That's a fair way to put it, Barr. But how about any contracts you might have made yourself since then?"

"Let's see. You mean that if I had borrowed a hundred dollars, and received gold for it, or paper or silver dollars just as good as gold, that I wouldn't be injured if the person who loaned it to me should demand just as good dollars from me as he loaned? Is that it?"

"That's it, Barr; and very clearly stated."

"Well, all I've got to say is that I think he'd be weak in the head if he took anything less than what he loaned me—and more than that, I think I'd be a pretty low sort of fellow, if I wanted him to."

"That is to say, you think an honest man would be just as anxious to pay off his creditors in as good money as he received from them, as he was sure to get good money himself when he made the loan?"

100-Cent
Dollars the
Only Good
Dollars.

"Every bit. If a man's honest, he'll try to see that the man who helped him by making him a loan, gets back his money in as good a shape as he loaned it. To pay him back in 50-cent dollars, after receiving 100-cent dollars from him, is only a contemptible form of robbery, and no

man who knows what honesty is, would be guilty of it."

"You're right, Barr. And no talk about a law of 1873 could excuse him for doing such a thing. I think you both see clearly that, accepting the worst that is said against the law of 1873, the free silver men have no case at all, and that no man who has made a debt or contract since that date has any just ground for refusing to pay his debt in the same kind of value he received—that is, in gold, or in money as good as gold. Isn't that proposition clear to you, Storey?"

"It's as clear as sunshine to my mind, Mr. Bruce. I'm glad you explained that so fully, for it has always been one of those things that the free silver men have harped on."

"But I am only half done with the law of 1873. For the sake of argument I have admitted the worst that has been said about it. Now, I want to show you that there is no ground whatever for the charges brought against it. What is it that the silver men say about that law, Barr?"

"They say a good many things about it that don't sound nice, Mr. Bruce. Their favorite saying is that it was a 'gigantic crime,' that it was passed 'secretly and stealthily' by Congress, that it made gold the single standard, and that it in some way robbed the people of millions upon millions of money."

"That's about right, Barr. They charge all that and they put it in the strongest language they can use, as though sound would make up for lack of sense. Now, I want to give you a very brief history of that

law, to show you that the charge of secrecy and stealth in its passage through Congress has absolutely no foundation. The attempt to justify the wrong that would follow free silver coinage by the charge of fraud in that law will not succeed, for the facts in the case allow the silver men no ground to stand on. I have here a few notes about the passage of that law which I want Barr to read to us. They are compact and will take but a few minutes to read."

The Law of
1873. What
it was; how
it was passed.

Barr took the notes which Mr. Bruce handed him, and read as follows :

"The law of 1873 was prepared by the Secretary of the Treasury, Hon. George S. Boutwell, in 1870. There had been no revision of coinage acts since 1837, and the new act was intended to include all the important legislation relating to coinage since the founding of the Mint in 1792. Copies of the act were sent to experts throughout the country, and after their replies had been received, the bill was drawn up.

"The most important change in the act was the *discontinuance of the silver dollar as a standard*. At the time of the introduction of the bill into Congress, the silver dollar was worth in gold a premium of about 3 per cent. The then director of the Mint, H. R. Lindermann, referring to this fact, said : 'Having a higher value, as bullion, than its nominal value, the silver dollar long ago ceased to be a coin of circulation ; and, being of no practical use whatever, its issue should be discontinued.' Referring to the fact of the disappearance of the silver dollar from circulation long previous to 1873, the Comptroller of the Currency

(Hon. John Jay Knox) said in his report for 1876 : 'The Coinage Act of 1873 simply registered in the form of a statute what had been really the unwritten law of the country for forty years.' "

"Just a minute, there, Barr," interrupted Bruce. "Those extracts show you what the men who drafted that law intended to accomplish by it: they did not wish to do any new thing, but simply to put into law the facts of the preceding forty years. That alone should answer the charge of fraud. But let us hear how it passed through Congress."

"The bill was introduced into the Senate and referred to the Finance Committee on April 28th, 1870. It passed the Senate January 10th, 1871, having been discussed for two days by Senators Sumner, Sherman, Bayard, Morrill and others, by a vote of 36 yeas to 14 nays.

The Public, "Secrecy" and Open "Stealth" of the Law of 1873.

"On March 9th, 1871, it was introduced into the Forty-second Congress by Hon. William D. Kelley. On January 9th, 1872, it was reported by the Committee on Coinage, who recommended its passage. It was discussed at length by Messrs. Garfield, Kelley, Maynard, Dawes, Holman and others. In the course of the discussion Hon. William D. Kelley said that the bill had been referred by the House to the Committee on Coinage, Weights and Measures, and that 'it received as careful consideration as I have ever known a committee to bestow upon a measure.'

"On May 27th, 1872, the first bill passed the House, by a vote of 110 yeas to 13 nays, members

of both parties voting for it. On January 7th, 1873, it was again presented with amendments. It again passed the Senate on January 17th, 1873, after a discussion occupying nineteen columns of the *Congressional Globe*.

"The bill again went to the House, and on January 21st, 1873, it was again printed with amendments. Conference Committees were appointed, and their reports were agreed to by both houses, and the bill became a law on February 12th, 1873, substantially as originally prepared at the Treasury Department."

"How about the charge of 'stealth' and 'secrecy' after that record?" said Bruce. "But there is a short summary there, Barr, which I wish you would read. It shows how often the bill was printed and presented to the members of the two Houses of Congress."

"The bill was printed separately eleven times and twice in reports made by the Deputy Comptroller of the Currency—thirteen times in all by order of Congress. It was considered at length by the Finance Committee of the Senate, and the Coinage Committee of the House, during five different sessions, and the debates upon the bill in the Senate occupied sixty-six columns of the *Globe*, and in the House, seventy-eight columns of the *Globe*."

"What do you think of the charges of 'stealth' and 'secrecy' now, Barr?" said Mr. Bruce.

"I think there's nothing in them, sir; and I'm very glad that you have given us this account of the law of 1873, for this has been the hardest thing to get over in my talks with Stewart. He's continually

speaking of the 'crime' of 1873, and now I find there was no crime of any kind about it, but that everything was done openly and above board. But how about Congressman Kelley, Mr. Bruce? I'm sure I've heard Stewart quote him as opposed to the law of 1873."

"Well, that is simply an instance of a man in public life changing his mind on public questions. It has frequently happened before, and will doubtless happen again. Mr. Kelley was Chair-

A Congress-
man's Change
of Base.
Not an Un-
common Event.

man of the Committee on Coinage, Weights and Measures, and spoke repeatedly in favor of this very bill, and his speeches for it are reported in the *Congressional Globe*, and are among the strongest and best ever delivered in favor of sound and honest money, and a single standard. And a few years later he changed his opinions somewhat—and this is only doing what every man in a free country has a right to do. But his arguments in favor of the single standard and the law of 1873 are as sound and strong as ever and are not affected by his subsequent change of attitude toward that law."

"But, Mr. Bruce," said old Storey, who had been intently listening, "you said you considered the law of 1873 one of the greatest blessings that ever happened to this country. Will you please explain what you meant by that statement, for it's a very great contrast to these other statements?"

"It is, indeed, Storey; and I'm glad you called my attention to it. I regard the law of 1873 as one of those providential happenings that work great good

to the human race without the intention of humanity to accomplish such ends. In the first place, you understand that all the charges made against that law

are, so far as I am able to read history and arrive at the truth, absolutely without foundation. So that, to my mind, the debit side of the account is wiped out. Now, what is there to the credit

A Beneficent
Law—the
Law of 1873.

side of the account—to the credit of that law of 1873? There are at least these two great results: First, it has given, since then, a fixed, stable value to our money, in spite of the repeated attempts of the free silver men to carry us into the shame and loss of a debased and depreciated currency; and second, that law protected us, not only from the silver mines then developed in the West, but from all that have been opened since, and from the untold millions of silver that may be taken from them in the future—that is to say, it protected us from the hopeless debasement of all values in money, and for twenty-three years past has preserved us from silver mono-metalism. Without that law the silver basis would most undoubtedly have been for twenty-three years the basis of our money. The wonderful development of our country in the last quarter of a century, which has been a period of marvelous growth in material wealth and along educational and moral lines, has been due to the beneficial effects of that law of 1873 to a greater degree than to any other economic cause.”

“I think I can catch your idea, Mr. Bruce,” said Storey. “And this idea of yours reminds me of what has been in my mind the strongest argument of the

silver men, and the one hardest to get around. What is your idea about the 'appreciation of gold,' so often spoken of by the free silver men?"

"There has been no appreciation of gold," replied Mr. Bruce, "except during the panic of 1893, when for a short time the banks had to pay a premium of three or four per cent. for gold which they bought abroad and imported for their customers."

The "Appreciation of Gold;" a "Vain Delusion and a Fraud."

"You don't mean to say there has been no appreciation of gold caused by the law of 1873, Mr. Bruce," exclaimed old Storey, in astonishment. "Why, the free silver men are continually harping on that subject; it's their chief stock in trade—next to what they term the 'crime' of 1873."

"That's exactly what I mean to say, Storey; but I don't mean simply to say it—I mean to prove it to your satisfaction. In the first place, I want to ask you whether the amount of gold in a gold dollar has ever been changed since the first gold dollar was coined?"

"Well, yes. I think there was a slight change once, Mr. Bruce."

"You are right. There was one slight change made by the law of 1834, when it was found, from the experience of years, necessary to change the ratio between gold and silver. It had been found that under the old ratio of 15 to 1, the gold disappeared from circulation, being worth more relatively to silver. So the ratio was changed to 16 to 1. But the change in the number of grains of pure gold in the gold dollar was only about three-fourths of a grain—an almost insignificant change. So that since 1792 down

to the present time there has been but one slight change in the amount of gold in the gold dollar—and since 1834 down to the present there has been absolutely no change whatever. Does that fact prove anything to you, Storey?"

"It shows that the same amount of gold has been worth one dollar for the past sixty years. Is that what you mean?"

"Yes, that, together with the necessary deduction. If exactly the same number of grains of pure gold has been worth 100 cents for over sixty years past, I want to know how gold has appreciated. What does appreciation mean? Doesn't it mean that a smaller quantity commands the same price as the larger quantity did formerly?"

"Yes, sir; that is what I understand by the word appreciation."

"And you are right. And yet here is the fact that the same number of grains of gold has been worth 100 cents ever since 1834, and with a very slight change at that date, ever since 1792. Does not that refute the idea of the 'appreciation of gold?'"

"I should say it did, sir.

"Now, there is one thing further about this charge of the 'vast appreciation of gold' which is so persistently charged by the free silver men, and with so little reason, and that is a historical fact within your own personal knowledge, Storey. You are an old soldier and can tell us the truth about this matter. Tell us, if you please, what happened to gold during the war."

When Gold did
"Appreciate"
in value: from
1861 to 1865.

"Why, it went out of circulation. We had only paper money then."

"Yes, but how about gold? Did it not 'appreciate' in value then?"

"Oh, yes. It went to a high premium. I remember that \$100 in gold was worth, at a certain time during the war—in the summer of 1864, I think—over \$250."

"Yes, you are right. That amount of gold was worth \$285 in August, 1864. That was quite an 'appreciation in gold,' was it not, Storey?"

"Well, I should say so, Mr. Bruce."

"Now, tell us what happened to prices when gold was appreciating in that way every day, and from month to month."

"Why, prices went up, too."

"That is to say, prices followed gold, did they not?"

"They certainly did, sir."

"But what do the free silver men say has happened to prices since 1873?"

"They say they have depreciated terribly, sir?"

"Yes, and at the same time they declare that 'gold has appreciated immensely.' Now, the country's experience during the war, which plenty of us can still remember, shows conclusively that as gold appreciated in value, prices went up with it, and as gold lost its premium prices fell. Now, measure

Experience
Proves that
Prices Follow
Gold.

the false argument as to the 'vast appreciation of gold,' which the free silver men are continually advancing, by this single fact, this undeniable truth,

which we had forced upon us during the war, and what becomes of it?"

"It disappears, sir. There's absolutely nothing in it. I thank you for making that clear to me, for it's been a puzzler. But a man who can remember the war can recall some facts about prices that young folks nowadays know nothing at all about. And I remember that one thing well—as gold went up month after month to a higher and higher premium, all prices went up with it. An ounce of fact is worth a ton of theory, and I'd like to tell some of the free silver men so."

"Hold up a minute, Mr. Bruce," exclaimed Barr. "I want to get that idea about the 'appreciation of gold' fixed in my head, so that I can use it. I've heard Stewart use that argument again and again, and I want to answer it."

"Very well, Barr. Suppose you give us your impression of what you've just heard, and we'll see if it's correct."

"That's fair enough. Well, in the first place, you said that if there's the same quantity of gold in a gold dollar that there always has been, there hasn't been any 'appreciation of gold.' Is that straight?"

"Yes, just about straight, Barr."

"And then, about the war. During the war prices went higher as gold went up, and got lower as gold came down. So if they followed gold up then, they ought to follow gold up now, if it has gone up in value—isn't that it?"

"Yes, that's it. But you mustn't forget the fact that prices haven't gone up materially, but have in some instances come down since 1873."

"Oh, there's no danger of my forgetting that. The silver men are shouting 'fall of prices' at us all the time. We couldn't forget it, if we tried. That was one of the points I wanted to ask you about."

"In one moment we'll get along to that, Barr. Before we leave this topic of the 'appreciation of gold' cry of the free silver men I want to give you two facts that prove that there is nothing at all in it. The war taught this country the lesson that, after obeying the

One of the
Lessons of
the War.

law of supply and demand, prices follow gold, and if our free silver friends want to find a reason for *falling* prices they will have to look elsewhere than to an

'appreciation of gold.' The additional fact that proves this is that they constantly promise us a great advance in prices, if their free coinage ideas are adopted. And this we admit would be the result, but it would result from the fact learned during the war; prices would advance because they would still follow gold. If free silver coinage should be enacted, gold would at once go to a high premium, and prices would advance in company with gold. So you see the promise of high prices under free coinage is virtually a refutation and a denial of the old argument which the free silver men have prized so highly and used so well, as to the 'appreciation of gold.'"

"There don't seem to be much left of the old song of 'appreciation,' does there, old man?" said Barr, addressing Storey.

"Not a shred left, young man," replied the latter.

"Now, don't you forget to use that with Stewart."

"Before we leave this point, I want to warn you

against a very plausible argument of the free silver men that has a bearing right here. When confronted with the fact that gold has not appreciated, and that, if it had, prices would necessarily be higher, they will look wise and say that 'relatively to other things, to various products,' which they will name, gold has appreciated. Now, this cannot be denied. But what does it prove? Does it show that gold has appreciated, or that these other things have, 'relatively to gold,' depreciated? I think any ordinary business man will say the latter is true. Now, if it were true that *all things, without exception*, had depreciated in value since 1873, then we might begin to think there might be something in this claim of the silverites. But the facts prove just the opposite, as I will show you in a few minutes. Just now I want

**The Question
of the Stand-
ard: Single or
Double.**

to call your attention again to the fact that gold has been the standard of value for the past twenty-three years, both legally and practically, and by the higher law of usage, for over sixty years past. Now, Barr, what do you mean by a standard?"

"It means something by which other things are measured, doesn't it?"

"That's a very good answer. A standard of money or of value, therefore, is that standard by which the value or price of all other things is measured. Just as a yard-stick is a measure of length. Now, do you think there can be more than one standard for measuring value or dimensions, or anything else, Barr?"

"I've never been able to see how there could be

more than one standard, Mr. Bruce. If I said there could, I might just as well say there could be two standard yard-sticks, or two standard foot-rules, and that would be nonsense."

"Yes, the sheerest nonsense, Barr, and yet no worse nonsense than to say that there can be a 'double standard' for money or value. If a 'double standard,' why not a 'triple standard, or a 'quadruple standard?' Is not one as reasonable as the other? The fact is, there can be only one standard money in a country at any one time. Our whole experience, and the experience of other countries, with the so-called 'double standard' proves this fact. Only at rare intervals, when the commercial ratio between gold and silver was exactly equal to the legal ratio, was there even an approach to a 'double standard.' At all other times the coins of one metal or the other were being driven out of circulation by the other. There was an *alternate standard*, but never a double standard. It is not strange that nearly all our leading public men who have studied this question have occupied this position. Away back in General Jackson's administration, his Secretary of the Treasury said that 'the proposition that there can be but one standard in fact is self-evident.' That was in 1830. A few minutes ago we were speaking of Congressman William D. Kelley, and his change of base a few years after 1873. What is it that the free coinage men say about him, Storey?"

"Why, they say that about the time of the passage of the Bland bill in 1878, he was strongly in favor of that bill and the double standard, and so on."

"Yes; well, now, listen to some of the statements

made by the same gentleman—William D. Kelley—when the law of 1873 was being discussed. I have found a copy of the record here since we were speaking of his change of views. On April 9th, 1872, when the bill was before the House for consideration, Mr. Kelley, in the course of a speech on it, said: '*It is impossible to retain the double standard.*' Then he proceeded to give the reason why—a reason which is as strong to-day as when he uttered it. He said: 'The values of gold and silver continually fluctuate. You cannot determine this year what will be the relative values of gold and silver next year.'"

"That seems reasonable enough, I'm sure, Mr. Bruce."

"I should say so, Storey. But here are a few words more from Mr. Kelley, and then we can leave him and his views. Speaking again on the same bill, he said: 'All experience has shown that you must have *one standard coin*, which shall be a legal tender for all others.' He certainly didn't believe in a double standard then, did he?"

"Not if the English language means anything. I think he expressed himself clearly enough for any child to understand."

"And so must any one think who reads his speeches made then. But many other prominent men have expressed exactly the same views. Do you remember what our present Secretary of the Treasury, Mr. Carlisle, said only recently in one of his speeches?"

"Why, I happen to have that speech with me, Mr. Bruce. I received a copy of it a few days ago and

have just finished it. Wait a minute and I'll read that part of his speech to you," replied Storey, as he pulled a small pamphlet from his pocket. Then in a moment he added: "Here it is. It's part of his speech at Memphis, Tenn., on May 23d, 1895. He says: 'I confess my inability to understand what is

really meant by a double standard or
 A Double measure of value; the idea is incompre-
 Standard In- hensible to my mind, because I cannot
 prehensible, conceive how it is possible to have two
 different legal and authoritative measures of the same
 thing, as, for instance, a pound weighing sixteen
 ounces and a pound weighing eight ounces, or only
 half as much.' "

"Thank you, Storey. It would be very easy to quote from other prominent men who have shared that view. It seems the sheerest absurdity to maintain that there can be more than one standard at one time. I happen to recall the fact that Professor Jevons, in his work on 'Money and the Mechanism of Exchange,' expresses the same view.* Now, before we leave this question of standards, I want to introduce you to a new standard which is as yet unnamed, but which has been discovered by the latest school in finance, known as the free silver school. Have either of you ever heard of the 'Potato Standard?' "

* As Professor Jevons is sometimes referred to by free coinage advocates as a high authority, the following citation may have interest for the reader:— "Accordingly it has been urged that the double standard is not really a double one, but only an alternative gold and silver standard. * * * At any moment the standard of value is doubtless one metal or the other, and not both." From "Money and the Mechanism of Exchange." W. S. Jevons. (Chap. XII.)

"The 'Potato Standard!' No sir. Why, what in the world is the 'Potato Standard,' Mr. Bruce?" exclaimed Barr.

"The Potato Standard is the name which I give to the system of payment of debts which I have found presented by some of the advocates of free silver coinage. Their idea is that all debts are paid for by produce, and that the debtor ought to have the right to select the kind of produce with which to pay his debt. Suppose, for instance, a person borrows \$1,000 on the present gold basis. When the debt is due this

A New
Variable
Standard:
the "Potato
Standard."

new plan will allow him to run through the market reports and select the cheapest article of produce, and pay his debt in that. If potatoes, for instance, were worth 75 cents per bushel when the debt was made, thus requiring 1333 bushels to equal the value of his debt when made, and if they should be worth only 50 cents a bushel when the debt falls due, he would have the legal right to offer his creditor the same number of bushels (1333) now worth 50 cents (or \$665.50 in value) in payment of his debt, and the creditor would be compelled by this new system of finance to accept the potatoes in payment. Or, if wheat, or corn, or cotton, would serve his purpose better and allow him to repudiate more of his debt, this new standard, which is favored by some of the new school of political economy which the free coinage idea has called forth, would allow him to choose either one. What would you think of that system of payments, Storey?"

"I should say that fraud could go no further than that, Mr. Bruce."

"Well, how much better in practice is that system than the 'double standard' which the free silver men so persistently demand? According to this latter standard all debtors shall have the privilege, under free silver coinage, of paying their debts in silver dollars worth one-half as much as our present dollars. That will be a virtual repudiation of debts to the extent of 50 per cent., as compared with present values. Is not this system really the same in effect as the 'Potato Standard'?"

"That's so, sir. It seems to be simply a matter of how much of his debt the debtor shall repudiate, and that seems to be left entirely to him to settle, under the new plan."

"As another illustration, take the case of the Government bonds, which are payable in *coin*. While it is a matter of history, known to all intelligent persons, that our Government refunded

its debt since 1873, and received gold, or gold values, from those who subscribed for its bonds, the free coinage advocates insist that the Government has the moral

and legal right to pay these bonds off in silver dollars, since silver dollars are just as much *coins* as are gold dollars. Under free coinage, therefore, the Government would have the right, according to these theorists, to pay off its just debts in 50-cent silver dollars, thus repudiating one-half our national debt, and defrauding many thousands of our own people, as well as those foreigners who have had sufficient faith in our honor, and ability to pay our just debts, to lend us money when we needed it. Now, it is true

Shall we pay
U. S. Bonds in
the Best or
Basest "Coin?"

that a silver dollar is a *coin*, just as certainly as a gold dollar is a coin; but this is also true of a silver ten-cent piece. That is a *coin* also, and if the Government should ever be so dishonest as to repudiate one-half of its debts, through a juggle over the word *coin*, why may it not, with equal honor and justice, repudiate nine-tenths of its debt by paying its creditors in ten-cent silver *coins*? Is there really any difference between the two, Barr?"

"Only in amount, sir. The principle is the same in both, and I don't think it would be any viler or more dishonorable in one case than the other."

"Certainly not. And yet the proposition that our Government shall thus sacrifice its credit, and dishonor the name of its people forever, by such an act of repudiation, is repeated again and again by the free silver men. Repudiation of just debts has never been a characteristic of American manhood, and I do not believe our free silver friends will ever be able to so degrade and debase it."

"But, Mr. Bruce, don't the free coinage people base their argument in favor of the payment of our national debt in silver coin on the ground that gold has appreciated in value since 1873?"

"Yes; that is true. But we have seen how much truth there is in the charge of 'appreciation of gold.'"

How Free
Coinage would
make Gold
"Appreciate."

"That reminds me of a thought that just occurred to me while you were talking about the 'appreciation of gold,'" said Barr. "The silver men complain greatly of that, yet it seems to me that that is just what they would

do by their free coinage of silver. As you have shown us, free coinage would at once send gold to a high premium, and thus prices would be advanced. That would be a real 'appreciation of gold,' against which the free silver men protest so strongly; and yet it would be due entirely to their own act. How do you explain that, Mr. Bruce?"

"There is no explanation for it, Barr, except that it is due to human perversity, or ignorance, or dishonesty: you can form your own opinion as to the cause. But you have certainly stated the fact clearly, and I'm glad you called my attention to it. Well, what is it, Storey? I see by your face you have some question to ask, or some remark to make."

"There *is* something, Mr. Bruce, that I want to ask you about, that's been on my mind for some time. Tell me whether you think my reasoning is sound or not. We just decided awhile ago that if the Law of 1873 had any effect at all, or did any work, it must have done it at the time of its passage or immediately afterwards. Isn't that so?"

"It certainly seems so to me?"

"Well, then, if the country went on to the gold basis, it did it in 1873, didn't it?"

"Most assuredly it did. That fact is admitted by all. Even the free coinage men declare that again and again: that was the chief part of the 'crime,' as they call it."

"Well, now again. Haven't all the loans that those free silver people out West have made since 1873, been made on the gold basis?"

"Certainly they have. Every individual loan;

every State and county loan ; every land warrant, and every municipal loan, all have been on the gold basis. The borrowers have received gold values, and their creditors have given gold values to them. That fact is admitted by all."

"Then, Mr. Bruce, I have just one more question to ask. Where were those free silver people in 1873?"

"What do you mean, Storey? I'm afraid I don't quite catch your meaning."

"Well, I mean this, Mr. Bruce. I mean that those very people in the free silver States *were not there* in 1873. I mean that their very States *didn't exist* in 1873. I mean that nearly all of those people have gone out there since 1873, a great many of them in the last few years. And I want to say that I fail to see how they or their States can have been hurt at all by a law passed many years before they went West, and before their States were formed."

"Well done, Storey!" exclaimed Bruce, while Barr said:

"Didn't I tell you he knew how to think? I wish I had his thinking apparatus on my shoulders. He's right about that, isn't he, Mr. Bruce?"

"He certainly is, Barr. I am very greatly indebted to you, Storey, for calling my attention to that point. It's a very important one, and yet it had not occurred to me. What you say seems, to my mind, to utterly shatter the case of the free coinage men. But let me refer to the figures. I have *Lippincott's Gazetteer* right at hand here, and that will give us the figures for those Western States at different periods."

Mr. Bruce turned to his book-case, took down the bulky volume referred to, and in a few minutes said:

"You are right, Storey. I find from the figures here that the principal inhabitants of the territory that now forms those very same free silver States were Indians, and perhaps buffaloes and coyotes, in 1873. Here are just a few figures that prove the position that Storey has taken. In 1870 the population of Colorado was only 47,164, and that included over 7000 Indians. In 1880 the total population had increased to 194,327; so that in 1873 there were probably about 50,000 whites in the Territory. It did not even become a State, you remember, until 1876—the Centennial year. Now look at the figures for the Territory of Dakota—now forming the States of North and South Dakota. In 1870 the population was only 40,700, and this included over 27,000 Indians. In 1880 the population of the same Territory had only reached 135,177, including both whites and Indians. So that, as you say, Storey, in 1873, the people who now complain of the law of 1873, *were not there*. Those States were not yet in existence. Now, your question is, if I understand it, why, if those people have borrowed on the gold basis, should they not pay on the same gold basis? Why, since nearly all of them went out there since 1873, should they complain of a law adopted years before their arrival out there, and of the existence of which they probably knew when they went there? Well, I must say, I'd like to have a fair explanation of such action, if any can be made, which I doubt."

"Do you know what it reminds me of, Mr. Bruce?" asked Barr.

"No; that's too hard a question for me, Barr."

"Well, it reminds me of a little story I heard the other day. In a certain family that lived not over a thousand miles away, there was a youngster of about 8 or 10, who was forever running into scrapes, and nearly all the time getting thrashed by his father. One day his mother heard him crying, and as he hadn't had a whipping that day yet, she asked him what he was crying about. Now, what do you suppose that ridiculous youngster told her?"

"I'm sure I couldn't say, Barr; what was it?"

"Why, he said to her: 'I was just a-thinkin' of all the lickings dad would a-given me if I'd been born ten years sooner than I be.' So it seems to me about those Western free silver complainers. Why, their States weren't born yet in 1873. If they had been there, then they might have some sort of a case, but hardly any of them were there themselves. Why, they haven't got the shadow of a case."

"It has seemed to me, Mr. Bruce," said Storey, "when I have thought about this phase of the question, that I might just as well complain of an injury done me by the currency law of 1834. The complaints made against the law of 1873 seem the most unreasonable, the most unjustifiable, I have ever heard from grown men."

"But you mustn't misjudge those men in the Western States, Mr. Storey. They are American citizens, and many of them very fine specimens, too. They have simply been temporarily misled; that is all. The last few years have been years of great depression in business, and the strain has been very severe in those States, and in agricultural districts especially. Taking

advantage of this fact, those in charge of the free silver scheme have worked on the prevailing dissatisfaction, and have led some of those people to believe that free coinage would prove a remedy for their ills. You and Barr and I can see that it would increase their troubles a thousand-fold, and I think they will soon realize this themselves, and then they will turn in and help put an end to the delusion of free coinage. And now, shall we turn our attention to another of the claims made by the free coinage men—that of the evil effects of the law of 1873 in causing the alleged ‘fall in prices?’”

CHAPTER V.FREE COINAGE AND THE ALLEGED
FALL IN PRICES

"I'M glad to hear you mention the 'fall in prices,' Mr. Bruce," said Storey. "I wish you would give us your ideas about that. The free coinage men are continually harping on it, and you might think it the only string they had in their instru-

*Another Free
Coinage Argu-
ment—the
Alleged Fall
in Prices.*

ment. It's a difficult question for my mind to master—at least, as the free coinage men are giving it to us all the time—and Barr and I would like to hear you explain it from your standpoint."

"Well, I think we can soon get to the bottom of that subject. Now, Barr, I'll ask you a question or two. When there's a shortage in the wheat crop, and wheat is scarce, does the price go up or down?"

"It goes up, sir: sure."

"And when there is an unusually large crop, and wheat is very plenty, is the price apt to go up or go down?"

"It's apt to go down, sir."

"Very well. In those few words you have the solution of almost the whole question of rising or falling prices. It's the old, old law of supply and demand—the law that has regulated prices since men have bought and sold goods—the fixed law that will

hold good while men continue to deal with each other. There is scarcely a fact connected with rising or falling prices during the past twenty-

A very Ancient Law—that of Supply and Demand. three years, or since 1873, that cannot be adequately explained by this old law. Let us see if this is not true. What do

the free silver men say as to the price of

silver, Barr?"

"They say it has been falling in price since 1873, and that this decline in price is due to the 'demonetization' of silver by the 'gigantic crime' of 1873."

"Yes. Well, we have seen that there is nothing in the 'demonetization' or 'crime' of 1873, since there were fifty times more silver dollars introduced into our currency in the twenty years following 1873, than in the eighty years preceding that date. So far as the money use of silver is concerned, our country never went into the wholesale manufacture of silver dollars until after 1873. Does that sound much like 'demonetization,' Mr. Storey?"

"Not very much, Mr. Bruce. I think we may consider the cry of 'demonetization' and the 'crime of 1873' as the wailing cry of exploded theories, that were never entitled to belief or respect."

"Well said, Storey. But they are no more so than the continuous cry of 'falling prices' which ascends from the free silver camp. Let us examine this question carefully, for it is one of the oldest stock arguments used by the advocates of free coinage. You and I will agree, and most business men will agree with us, that the law that most generally controls prices is the law of supply and demand—and

yet the free coinage men not only deny that this is the case, but some of them go so far as to question whether there ever was such a law?"

"Is that possible? Why, I thought every school boy understood the workings of the law of supply and demand. Why, it's as simple as A, B, C. A big supply means a low price, a small supply means a high price. I thought no one could deny a fact so plain as that."

"And yet I have read editorials by free coinage editors in which the very existence of such a law is questioned. But then some very queer statements are often made in free coinage editorials, and we must be generous and make allowances. They are not intended as humorous writings as a general thing, and yet they often seem to be so. I must tell you of one I read not long since, which seemed especially funny. Barr, you are a railroad man. Tell me, did you ever hear of an express train rushing over the track in opposite directions at the same time?"

**A Denial of
the Universal
Law of Supply
and Demand.**

"You don't mean one and the same train, do you?"

"Yes, that's exactly what I do mean."

"Why, no sir; nor did anyone else. The question doesn't seem reasonable, sir."

"Well, what would you think of a person who tried to make you believe that such a thing had really happened?"

"I should think he had got off the track about as badly as his express train. Why, it's a most absurd idea, sir."

"Well, Barr, that is just about what a free coinage editor tried to prove in cold print not long ago, and in one editorial, too. He started, in one paragraph, with the proposition, with which all of us will agree, that the highest degree of prosperity ever attained by this country was in 1892. He proved this pretty conclusively by referring to the commercial reports of that year, and the general business conditions which we all know prevailed then. Well, this done, he proceeded to declare in the very next paragraph, that in 1873 there was inaugurated, by the 'gigantic crime' of that year, a financial policy which had been tending more and more every year since toward general bankruptcy. So, you see, in one breath he declares that the country was on the ascending wave of prosperity previous to 1892 and reached the highest point in that year; and in the next he declares that for twenty years previous to that year we were rushing toward bankruptcy. Isn't that about equal to one express train rushing in opposite directions at the same time, Barr?"

Rushing
Toward
Prosperity and
Bankruptcy at
the same time.

"Just about like it, sir. And do you mean to say that any free coinage editor made such a contradictory statement as that?"

"Yes, and only used up one editorial to do it. Most editors, I think, would have wanted at least two editorial columns for such a display of logic, but there seems to be no limit to the ability of a free coinage writer. But we must make allowances for such contradictions from such thinkers and writers. No con-

tradition they make is quite so glaring to my mind as their denial of the law of supply and demand with reference to silver. Storey, did you ever hear them admit that the decided fall in the price of silver since 1873 was due to the large production of silver?"

"No, sir. The only explanation I ever heard them offer was the 'demonetization' which they claim occurred that year, and which, as I see it now, has no foundation in fact."

"Not the slightest. I wanted to call your attention to the fact that they continually and persistently ignore the one great and sufficient cause of the decline in the price of silver—the immensely increased production of that metal since 1873. This large production would necessarily, according to the law of supply and demand, cause the price to fall; would it not, Barr?"

"Surely it would, sir. I see no possible escape from that result."

"No, nor does anyone, save an advocate of free coinage. Now, let me call your attention to another of these peculiar contradictions, which seem so highly approved by the free coinage men. Storey, you are old enough to remember; tell us what happened to the price of gold in 1849 and 1850, about the time of the big discoveries of gold in California and Australia."

"Yes, sir; I can remember those days well. I thought something of going to California myself. I had the gold fever bad. I remember that there was such a big output that it was thought that the value

of gold would be greatly reduced—and, if I'm not mistaken, that was what put silver dollars to a premium over gold, and drove them out of circulation."

"You are right again, Storey. The fears were groundless, for the arts consumed such an amount of gold that its value was affected only for a short time. But I called your attention to this fact for the purpose of reminding you that the free coinage men use this experience of gold repeatedly in their discussions. I have no doubt you have both heard it often."

"Yes, sir, often," replied Barr and Storey, together.

"And yet you never hear them admit the corresponding fact as regards silver. Can you tell me why it is, that, if a greatly increased production of gold in 1849 and later would reduce the price of gold—why a like greatly increased production of silver in 1876 and later should not produce a similar reduction in the price of silver?"

"I'll have to give that up," said Barr. "It's too hard a conundrum for me."

"Yes, and for the rest of us, too. Yet the free coinage men never admit the possibility of such a result as to silver, but ignore it continually. Now, look at the figures of increased production for a moment. Here's a little book worth its weight in gold, Barr. It's Coffin's 'Silver and Common Sense.'*

* "Silver and Common Sense," by George M. Coffin: McGill & Wallace, Publishers, Washington, D. C.

Turn to the figures given on page 30 and read to us what he says about the world's production of silver from 1873 to 1894, and then give us the figures for the twenty years preceding 1873."

Barr took the book, and, turning to the page indicated, read for a minute and then said :

"Here we are. Now listen to these figures, old man, and don't forget to remind me of them when we next meet Stewart. Why, this is just what I've been wanting to find, Mr. Bruce. It gives the whole free coinage case dead away. Just put these figures down for me, Storey, as I read them. From 1851 to 1860 the production of silver was 400 millions of

**The Immense
Increase in the
Production of
Silver after
1873.**

dollars ; from 1861 to 1873 it was 790 millions ; let's see ; that makes 1190 millions for the twenty-two years before 1873. From 1874 to 1891 it increased to 2028 millions, nearly twice as much for these seventeen years as for the twenty-two years preceding 1873 ; and for the three years 1892, 1893 and 1894 the production was 601 millions, or more than half as much in these three years as in the whole twenty-two years preceding 1873. Well, I think these figures settle the whole question of free coinage. Are you sure they are correct, Mr. Bruce?"

"You can rest assured on that point, Barr. The writer of that book, Mr. George M. Coffin, has been for many years connected with the Treasury Department at Washington, and is at present the Deputy Comptroller of the Currency. There is no better authority on the subject in the country than he, and

he states that his figures come from official reports, and may, therefore, be relied on." *

"Well, I'm glad to know that, Mr. Bruce. I've told Stewart many a time that the fall in the price of silver was due to the immense production, but he's always pooh-pooh'd it, and said there was nothing to show that, and as I didn't have the figures to prove it, his statement was as good as mine, except that I had common sense on my side. But now I have the figures, and it won't take long for me to show them to him, either."

"Take the little book with you, Barr, and read it carefully. It throws light on the whole question, and does it in a way that the ordinary man can easily understand. Recommend it to your friend Stewart. At present his mind seems full of silver nonsense; after he has read that, it may gather some of the other quality mentioned in the title of the book."

"You mean some 'common sense,' don't you? That's a pretty good one, Mr. Bruce. I won't let Stewart overlook that part of it."

"There's another important fact bearing on the

* These figures are so important, and have such a direct bearing upon the case, that they are here quoted in full from the book referred to, with the author's consent.

WORLD'S PRODUCTION IN MILLIONS.

	GOLD.	SILVER.
1841 to 1850	\$380	\$350
1851 to 1860	1,300	400
1861 to 1873	1,460	790
Totals	\$3 140	\$1,540
1874 to 1891	\$1,935	\$2,028
1892, '93 and '94	481	601
Totals	\$5,556	\$4,169

From George M. Coffin's "Silver and Common Sense," p. 30.

price of silver that I want you to consider for a moment. During the very time that the price of silver was depreciating so rapidly, there was a large and steady buyer in the field—that is, Uncle Sam. You and I and all the rest of the people of this country were loading ourselves down with silver bullion merely to 'make a market' for it, and please the mine owners of the West by keeping up the price. And yet our best efforts in this direction failed to keep up the price. The production was so enormous, as the figures Barr has just read show, that the law of commerce—the great law of supply and demand—simply said: 'this can't be done'—and no power of human legislation could do it then, or can do it now. Storey, when was the Bland bill made a law?"

Silver declines
in spite of the
Immense
Purchases
made by the
Government.

"In February, 1878, wasn't it?"

"Yes. And from that date until the passage of the Silver Purchase act in June, 1890, this Government was coining two million silver dollars every month. That is to say, in every *four months* of those twelve years we were making as many silver dollars as in the whole *eighty years* preceding 1873. And yet, while this fact is generally known, the free coinage men still cry 'demonetization.' In twelve years after 1878 we had coined about 300 million silver dollars—and in spite of this immense purchase of silver by the people of this country, its price still fell off. Of course, the most important thing in the world, for us, was to protect silver, so still greater purchases were decided upon. You remember we examined, the

other evening, the provisions of the Silver Purchase act of 1890."

"Oh, yes, I remember that well, Mr. Bruce. 'We, the people of the United States,' began to get still more liberal toward the silver men, and decided to buy all they could put out each year—let's see, 54,000,000 ounces a year, wasn't it?"

"That is correct, Storey. And we all remember the result of that law. It helped to bring on the worst panic we ever saw, unsettled confidence, and drove hundreds of our business men into bankruptcy. And what good was accomplished by it? Were we able to keep up the price of silver, even after protecting it by such immense purchases?"

"Not long, sir. I remember we had the figures the other evening. It soon dropped down to \$1.00 an ounce, and then down to 90 cents, to 80 cents, and then on down to the present price of about 65 to 70 cents an ounce."

"So you see that, even by purchasing what was thought to be the total output of all our mines, Uncle

Free Coinage
means the
Silver Basis,
and General
Bankruptcy
and Disaster.

Sam couldn't keep up the price. In fact, there is only one thing that will keep silver up to \$1.29 an ounce, and that one thing means silver mono-metalism and general bankruptcy and disaster combined."

"What is that one thing, Mr. Bruce?"

"Why, what the free coinage men ask for. That this Government alone shall purchase all the silver that may be offered it at \$1.29 an ounce. That would

undoubtedly fix the price of silver, and would certainly attract to our mints all the silver of the world. But it would just as certainly put the value of the gold dollar at 200 cents, for no law or legislation can change the invariable law of commerce. But let us get back to the cry of 'fall in prices,' which we hear so continually from the free silver men. They don't restrict this merely to their own silver product, do they, Barr?"

"Oh, no, sir; they are much more generous than that. They apply it to a great many things: to farm lands, to wheat and other grains, and in fact to almost everything."

"Very true. They would be glad, if they could, to make it apply to all articles, for that might make out a case for them; but the facts won't allow that. In truth, the facts are against them with reference to almost everything they mention. Let us take farm lands first, and examine what they say about them."

"I'm afraid they've got you there, Mr. Bruce," said Storey.

"I suppose it would seem so at the first glance, Storey. But I don't want to take a superficial view, as is so often done. I want to get at the facts. You seem to be posted, again, on this special point. Can you tell us what the free coinage men say about the decline in values of farm lands?"

"Well, they say there has been a tremendous fall in them since 1870. Let me see, I think I brought with me a statement I saw in the newspaper a few days ago on that very point. I wanted to ask you about it, you see. Yes, here it is. The writer here

gives some figures which, he says, shows the great decline in farm values in the State of Pennsylvania since 1870. Shall I read them?"

"By all means. I'm very glad you have that statement with you."

"The figures he gives here are these: he says that the value of farm lands in that State has fallen off over 120 millions of dollars since 1870.

Alleged Decline in Farm Values: He says the United States census of 1890 showed the value of such lands to be 922 millions, while twenty years before, in 1870, it was 1043 millions; a shrinkage of 121 millions of dollars, and that in only one State of the Union. **How Explained.** What can you say to that statement, Mr. Bruce."

"Well, there are at least two things that can be said about it, and either one deprives the figures of all value, as you will see. In the first place, we must look at the kind of money in which the two estimates of value were made. What was the date of the resumption of specie payments, Storey?"

"Let me see. It was about 1879, wasn't it?"

"Yes, January 1st, 1879. So you see that in 1870, nearly ten years before, we still had paper money, and gold was at a premium. I saw that very statement you hold some time ago, and looked up the figures for gold during 1870. I found that the premium ranged from 10½ to 24½ on the hundred: the average value of gold that year was \$115 for the hundred. Now, Barr, I want you to apply that average price of gold to the estimated value of farm lands in 1870, and see where we will come out."

"What were the figures, Storey?"

"In 1870 the value was 1043 millions."

"Now, let me see. I want to find out how much that amount in paper money would be worth in gold, when gold was worth 115. Well, then, I divide that amount by 115, don't I, Mr. Bruce?"

A Necessary
Change: Paper
Money to the
Gold Basis.

"That's right. Take your time; the result will be interesting."

"Here it is," said Barr, after a few minutes' figuring, "I make it \$906,956,000, say nearly 907 millions."

"Exactly. Now, Storey, having placed the two estimates on the same basis, for we have fortunately been on a gold basis for years, see where we stand."

"That does make a difference, Mr. Bruce. These last figures change the whole situation. Instead of a loss of 121 millions from 1870 to 1890, as that article stated, there was an increase of nearly 15 millions. Why, that is a remarkable showing, for, you remember, it was during those twenty years that millions of acres of farm lands in the West were developed, and this brought Eastern farm lands in direct competition with them, and that would naturally cause a great reduction in value. And yet these figures prove that there was an actual increase in value in those years."

"But that is not all, either. The comparison of paper money figures and war prices with our present gold basis figures is a favorite device of the free silver men, and very frequently deceives those who overlook the important fact that the paper money of that era was really at a big discount in gold values.

For instance, in 1864 the premium on gold rose to \$185, so that \$100 in gold was worth \$285; at that time the gold value of the paper dollar was only 38 cents. Fortunately the premium did not stay there long. But you can see how absolutely worthless those war figures are when placed in comparison with our gold-basis prices of to-day, without making allowance for the depreciated value of the currency then. You see this clearly, do you not, Barr?"

High War
Prices valueless
for Comparison
unless Changed
to the Gold
Standard.

"Yes, sir; I've got that idea planted firm, I believe. And I'm going to interview Stewart about it, too. He's been quoting figures from away back at me, and asking me what I thought of them. I'll be able to tell him, now."

"There is another thing to be said about those farm estimates in 1870, that is very generally overlooked. It was then only a few years after the war, and war prices prevailed largely. During the war the taxes were necessarily high, and assessed values were correspondingly high. It is altogether probable that the assessed values in farm lands in 1870, as given in that report, were much higher than they were in 1890, for during those twenty years the tendency was to relieve farm lands from taxation so far as possible. So you see that while the assessed value of 1890 was a very low one, that of 1870 was a very high one. Unless we can know that the same standard of measurement was applied at both periods, the figures lose all value, so far as comparison is concerned."

"That is so, Mr. Bruce. In that State, I believe,

all farm lands are exempt from taxation, are they not?"

"I believe they are, Storey, except local taxation. The State itself does not impose a tax on real estate, and this was due to the thought that the farmer and the small land owner should have his home free from State taxation—a sort of acknowledgment that these two are generally the most valuable members of the Commonwealth, and so should bear the least burden of taxation."

"And a very just principle, too, I should say. When you get that home of yours, Barr, you see the State will be easy on you, and let you off without taxation," said Storey to Barr.

"But there were other things besides farms that Barr mentioned as coming in the free coinage list of 'falling prices.' Let us look at some of them, for this charge of a 'fall in values,' if true, is a very damaging one. Suppose we look at the charge with reference to the chief product of the farm—the product that we are all interested in—wheat."

"I wish you would, Mr. Bruce. I would like to hear what can be said about that, for the free coinage

An Unnatural
and Forced
Alliance—
Wheat and
Silver.

people usually tie their own product and wheat together, and seem to believe that there is some law of the universe that makes them inseparable."

"Yes; that is another device that has deceived a great many people. The purpose of it appears to be their desire to capture the support of the farmers of the country, so they have tried to make them believe that the price of wheat has

always varied at the same time that silver has changed. There is nothing in this but sheer assertion ; no shred of proof, whatever. But can you not give me some of their quotations as to prices of wheat? Let us look at them closely."

"I saw the statement not long ago that from 1869 to 1873 the price of wheat ranged from \$1.50 to \$1.25 per bushel, and the free coinage writer went on to say that from 1890 to 1894 the price ranged from \$1.00 down to 70 cents per bushel, and claimed that the decline was due to the 'demonetization' of silver. Now, if that is true, Mr. Bruce, it seems to me that they have a pretty strong case with the farmers."

"No stronger than their other, in reference to farm lands, and we have seen there was nothing in that charge. Now, let us compare the highest price you have just quoted with the lowest, and see what there really is in this charge. First, let us reduce the two quotations to the same basis, which is the only fair way of comparing them. In 1870 gold was worth \$115 for the \$100, a premium of 15. Apply this to your highest quotation of 1869 prices, which were in depreciated paper currency, and it brings the price down at once to \$1.30 on the gold basis, as at present.

Decline in the
Value of
Wheat: how
Explained.

Now, remembering this reduced figure, take another fact into consideration ; twenty or twenty-five years ago the cost of transportation from the West to the East was immensely greater than during the last four or five years. For instance, in 1869, the very year you have mentioned, when the great lakes were closed, the railroads got over 60 cents a bushel for hauling wheat

from Chicago to New York ; they have often done it since for 6 cents a bushel. In 1874 the rate by lake and canal was $24\frac{1}{2}$ cents per bushel ; in 1894 it was only $4\frac{1}{2}$ cents. Would not this difference in cost of transportation be apt to affect the selling price of wheat, Barr?"

"Certainly, it would. Why, if Storey will subtract the cost of freight in 1869, which you said was 60 cents a bushel, from the gold price of wheat then, which was \$1.30 a bushel, it will leave just 70 cents a bushel, the lowest price for wheat of the past few years that the free coinage men quoted. Don't you see that, old man?" he added, addressing Storey.

"Yes, but I didn't need your advice to do it, young man. It seems to me very remarkable, Mr. Bruce, how a little common sense, when applied to the free coinage claims, takes all the wind out of their sails. Can all of their talk about 'falling prices' be explained as readily as these in regard to farm lands and the price of wheat?"

"I think not, Storey, for with regard to some articles there has undoubtedly been some reduction in price. But there is absolutely no fact, so far as I am aware, that will show any direct connection whatever between the reduced prices of such articles and the lower prices of silver."

"Well, then, if there is no general decline all around due to one general cause, it seems to me that the claim of the free coinage men that prices have declined because of the law of 1873, falls to the ground, and there is nothing at all in it."

"Nothing whatever. Since 1873 some goods have

fallen in price; others have advanced, but in every instance there has been a special cause governing each individual case, and not the slightest indication of one general cause affecting all. I do not mean to claim that wheat and other farm products have not declined in price since 1873, but the decline, wherever it may be, whether in farm produce or in manufactured goods, has been due quite as much to the immense silver purchases made by the Government under the law of 1878, as to the law of 1873. Really it has been the result of adequate causes of an utterly different nature, chief of which will always be found the law of supply and demand."

Fall in Prices
not due to any
one General
Cause, such as
the Law of
1873.

"Mr. Bruce, there's a question I would like to ask you right here," said Barr. "Was not the opening of new farms in the West one of the chief causes of the fall in prices of farm produce?"

"Undoubtedly, Barr. Why, since 1873 a great empire has been developed west of the Mississippi, the new settlers generally devoting their attention to agriculture at first; later on, to manufactures also. Then, almost at the same time came the reduction in railroad rates, so that Eastern farmers had to meet the competition of Western farmers, whose farms had cost but little and who were comparatively free from taxation, so that some decline in the prices of farm produce was inevitable. In fact, there are three great causes that have operated to reduce prices during the past twenty years, and these causes apply to farm produce, silver and manufactured goods also, these causes are: first,

greatly increased production—in the case of wheat this was due to greater acreage, in the case of silver to the discovery of new mines; second, greatly reduced cost of transportation; and third, greatly improved and cheaper methods of production—in the case of wheat and farm products this was due to improved machinery; in the case of silver to improved methods in mining and in refining the ore. Now, as these causes will adequately explain all 'falling prices' that have occurred, we may conclude that there is really nothing at all in the claims of the free coinage men based upon this favorite assumption of theirs."

"Now, Mr. Bruce, I've got a little surprise for you," said Barr. "While my friend Storey was giving you those free coinage figures about wheat prices in 1869 and 1891 and '94, and you were showing him that there was nothing at all in them, I couldn't help smiling to myself, for I have here in this paper as good a proof of that as I want, and just as good as the figures you gave us, Storey."

"What is it, Barr? Let us have it at once."

"Why, it's the report of the Chief of the Bureau of Statistics of Labor of the State of Minnesota. The

Important
Wheat Quota-
tions from a
Wheat-growing
State.

full report hasn't been published yet, but some advance sheets have, and they discuss this very question of the price of wheat. He shows that the gold value of a bushel of wheat in Minnesota from 1891 to 1894, inclusive, was 62 cents;

while from 1862 to 1866 it was only 56½ cents—gold value, of course. Now, doesn't that confirm just what you've been telling us?"

"I'm certainly indebted to you, Barr, for calling my attention to that report. I'll have to send for a copy of it. I had not seen those figures before, but you can see how fully they confirm what I have tried to show you. You see, the Chief of that Bureau simply reduced the paper money prices to the gold basis, and then compared them with present prices. Whenever you see prices quoted by the free silverites, don't forget to do this. It will nearly always explain the difference which they attribute to the 'crime of 1873'—whereas it is simply due to our having resumed specie payments and getting back again to a gold basis. But, Barr, does not that article say anything about reduced rates of transportation as affecting the price of wheat?"

"Yes, sir; and that's worth noting, too. He says that the gold value of wheat in New York, from 1862 to 1866, was \$1.15 per bushel; while from 1891 to 1894 it was 83½ cents a bushel; and then he says that the difference in price between Minnesota and New York city from 1862 to 1866 was 58½ cents a bushel, while from 1891 to 1894 the difference was only 21 cents a bushel. This great reduction in difference of price between the two places was due, he says, to the reduced cost of transportation."

"Well, I should say he is a level-headed man, and worthy to be Chief of the Bureau of Statistics of any State or country. He don't seem to be carried away with the free coinage delusion as to the cause of the 'fall in prices.' And now, as a fitting conclusion to this discussion of the 'fall in prices,' I want to call your attention to the fact that the whole subject was

thoroughly investigated a few years ago by a Committee of members of Congress, appointed for that very purpose. The conclusions they

A Congressional Committee's Report as to the Cause of Falling Prices.

arrived at were very concisely stated by the present Secretary of the Treasury, Mr. Carlisle, in a speech made at Memphis in May, 1895. Barr, suppose you read the passages I have marked here in the speech to us."

Barr took the copy of the speech and read as follows :

"SOME FACTS CONCERNING WAGES AND PRICES.

"In 1891, 1892, and part of 1893 I had the honor to serve on a sub-committee charged by the Senate of the United States with the duty of ascertaining the course of prices and wages of labor for as long a period as authentic records would enable us to embrace in our investigation, and, after a most thorough and impartial examination of the subject, a report was made which fills four large volumes and embodies a mass of information upon these subjects which cannot be found in any other official form. As to the course of prices and wages the committee was unanimous, though there were differences of opinion among the members as to the causes that had from time to time produced these changes. The prices of many articles and the wages of labor in many occupations were ascertained during each year as far back as 1840, and for the purpose of comparison the prices of commodities and the wages of labor in the year 1860 were adopted as the standard.

* * * * *

"The investigation showed that at the time it was made articles of food stood at 103.9, or nearly 4 per cent. higher than in 1860; cloths and clothing at 81.1; fuel and lighting at 91; metals and implements at 74.9; lumber and house-building materials at 122.3; drugs and chemicals at 86.3; house-furnishing goods at 70.1, and miscellaneous articles at 95.1. These results of the investigation establish three facts which have an important bearing upon the present controversy. The first

fact established is that the prices of articles of food, which are the products of the farms, gardens, orchards and dairies of the country, were about 4 per cent. higher than they were in the year 1860, long before the silver legislation now complained of; the second is, that the fall in the prices of these farm products since the year 1873 has been much less than the fall in the prices of the commodities the farmers have to buy; and the third is, that the reductions in prices have not been uniform, either as to particular articles or groups of articles, and therefore cannot be attributed to one and the same cause—to the appreciation of gold, for instance. The conclusion is inevitable that various influences have operated to produce the changes in prices, some affecting one group of articles and some another, and doubtless some affecting all, but to no one influence can the whole result be attributed."

"Now, after the conclusion of such an investigation, so thoroughly made, isn't it about time for the free coinage men to try to find some other arguments to bolster up their falling cause?"

"I should say it was, Mr. Bruce. They don't seem able to make out much of a case for their valuable product."

"There is another passage in that speech, Barr, that I wish you would read. It's about the increased production of wheat, taken from the official reports. It's on the next page, I think."

Barr turned the page and read the following :

"According to the statistics of the Agricultural Department the production of wheat in this country in 1872 was 249,997,100 bushels, and in 1894, 460,267,416 bushels, or nearly twice as much, and there has also been an enormous increase of production in competing countries. But, gentlemen, notwithstanding the great increase in the production of cotton and wheat, here and in other countries, and the consequent decline in their prices, a given quantity of either of them will now purchase

in our own markets and in the markets abroad a larger share of many other useful commodities than it would have purchased in 1872 or 1873, so that, in fact, as compared with many other things, the values of cotton and wheat have appreciated."

"Thank you, Barr. I think we have pretty thoroughly disposed of the cry of 'falling prices,' have we not?"

"I think we have, sir. It's clear to my mind that that's another beautiful theory of the free silver men that won't work," replied Storey.

"There's one thing more I want to say before we leave this line of thought. The free coinage men not only insist that every fall in prices has been due to the alleged 'crime of 1873,' but they also declare that in that year the country entered upon an era of adversity which has continued with increasing force to the present time. Now, look at two facts that prove directly the contrary. In 1873 the national debt amounted to \$1,710,000,000, and the annual interest charges were \$96,000,000. By 1892 we had paid off \$1,200,000,000, and by refunding the debt outstanding at lower rates of interest had reduced the annual interest charges to \$23,000,000. That looks as if those twenty years were a dreadful period of adversity, doesn't it, Barr?"

"Well, not exactly, sir. If I was paying off my debts at that rate, sir, I should say I was doing fine."

"You were helping, Barr. You are one of the people and a workingman, and part of your labor went to swell the grand reduction in our national

debt. But here is another fact, still more significant than the last. It shows what the 'plain people,' as President Lincoln used to call us, were doing during these years of 'adversity and increasing poverty,' as the free coinage men call them. In 1884 the deposits in the savings banks in this country amounted to 1100 millions of dollars, and in 1894 they amounted to 1844 millions of dollars, a gain in ten years of 744 millions; and these deposits were almost without exception, made by wage earners—the workingmen and workingwomen of our country. The average deposit, per individual, is, I understand, between \$300 and \$400, which shows how many of our people are interested in these savings banks. And here is another fact that indicates the sort of national poverty

Great Increase
of Wages
Since 1873.

we enjoyed from 1873 to 1893. In 1870 the average wages paid each workingman were \$302.00 a year; in 1890 they amounted to \$485.00 a year—a gain of over 50 per cent. Don't you think the free coinage men had better give up the cry of 'poverty' and 'hard times,' as applied to those twenty years."

"I should say those words hardly suit there, Mr. Bruce. But you will admit that they would apply pretty thoroughly to the conditions that have prevailed during the past two or three years?"

"Yes, I'll admit that, Storey. Those words certainly are pertinent when you refer to 1893, 1894 and 1895. But don't let us forget the cause of the hard times that have come home to so many of us. They started with the free coinage threats early in 1893; those threats were the cause of the panic which

caused the failure of so many business men ; they were not only the origin of that panic, but they have been one of the chief causes of this long continuance of hard times. There have been two general causes operating—the financial and the industrial. After the repeal of the Silver Purchase act in the fall of 1893, the finances of the country improved wonderfully—money became easy, and if it had not been for the repeated assaults on our national credit made by the free coinage men in the Senate, which have destroyed foreign confidence in our securities, and also unsettled the confidence of our own people, the finances of the country would have been all right—although they greatly need revision by a competent

**Reasons for
the Continuing
Depression of
Business since
the Panic of
1893.**

commission. But then immediately after the passage of the repeal of the Silver Purchase act, came the tinkering with the tariff, the whole fiscal policy of the Government was changed, and the industrial panic began ; and the condition of industrial distress—almost paralysis—made worse by the repeated assaults on national and individual credit by the free coinage people, will sufficiently explain the causes of our recent and present hard times.”

CHAPTER VI.

FREE COINAGE VERSUS PROTECTION

THE THREATENED SHIPWRECK OF PROTECTION.

"THEN you are in favor of protection, Mr. Bruce?"

"I am, most decidedly."

"But the free coinage men say that protection will soon be nowhere, unless the country adopts their theories. How do you explain that?"

Free Coinage
and Protection:
a Dangerous
Alliance for
Protection.

"I don't even try to explain it. I simply take a good look at it, and it explains itself. There's nothing in their absurd claim."

"Then you don't think that protection has anything to gain from an alliance with the free coinage cause, as the free silverites claim?"

"No, I do not. So far from having anything to gain, I am convinced that the cause of protection has everything to lose from any connection whatever with free coinage. In fact, such an alliance would mean the immediate and final shipwreck of protection."

"Won't you tell us how you work that out, Mr. Bruce? I see that Barr here is greatly interested, by his looks, and I'm sure I would like to hear you demonstrate that, for it's a decided contradiction of the free silverites' theory, which they are now making so much of?"

"Well, the contradiction cannot be made too decided to meet the situation. The demonstration, as you call it, is very simple. Let me ask you one or two questions that will help us to understand it better. If the working people of the country should become unalterably opposed to the idea of a protective tariff, what do you think would be the result?"

"In that case, I should say there would be but little prospect of a protective tariff being adopted."

"And *how soon would* there be any likelihood of it, do you think?"

"Well, if the workingmen of the country should become unalterably opposed to protection, as you put it,

I can't see that there would ever be any prospect of any protective tariff being adopted. The workingmen form a large majority of the voters, and they certainly can elect the Congressional Representatives, and so they can control the action of the Government as to a tariff."

If the Workingmen should oppose Protection, that would end Protection.

"You are right, Storey. They have done it more than once, and they can do it again. Well, now, I simply ask you to put two and two together and make four of it. We have seen pretty clearly, I think, that free coinage would result in a reduction of all wage-earners' wages by about 50 per cent., and that it would in all probability be a long while before their wages would be doubled so as to equalize them with the old rates—if this should ever happen, which is very doubtful. Let the workingmen of the country once see this—and they are rapidly becoming

aware of it—and do you think they will be greatly in favor of free coinage?"

"I should say not, sir. I'm a workingman myself, and I want to say right here that, so far as I'm able to understand the question, free silver means just free robbery of the workingman. I don't think the other workingmen are so silly as to approve of a policy that's bound to hurt them. I know I'm not."

"No, and the others are not, either. Well, now you have the proposition that is presented by the free coinage men clearly before you. Protection is to be assured by an alliance with free coinage, and free coinage, when thus secured, means a reduction in wages of 50 per cent., to begin with, and a good deal to end with. Do you think that many workingmen will approve of protection, when secured at such a sacrifice of their own interests?"

"No, sir, I don't," replied Barr. "Why, the chief argument that is urged in favor of protection at political meetings has always been that it will protect the wages of the workingman. And now, by this union with free coinage, protection is not only not going to protect wages, but is really going to reduce them one-half. Why, as you say, that scheme, if it could be worked, which I'm glad to say it can't, but if it could, it would be the end of protection forever. I don't see how any man who favors a protective tariff can in any way favor free coinage."

"Nor can I, either, Barr; and yet there are men who profess to do both. You have just given us the

**Free Coinage
with Protection
means loss to
the Work-
ingman.**

strongest argument in favor of protection : the argument that a tariff does protect, or should protect, the wages of the workingmen. I think our experience as a nation has clearly proved this, and never more clearly than in the past few years. And the reason underlying this protection, and justifying it, is the strongest that can be imagined : it is that our American labor needs protection, because American civilization—the civilization which we want and expect the American workingman to enjoy—is a vastly different thing, and a vastly higher thing, than the civilization of the European workingman, or that degree of civilization which he is permitted to enjoy in other countries. To enjoy this our American workingman must be paid better wages, and protection should secure him the uninterrupted receipt of those higher wages. That is the American theory of protection for American labor, and to my mind the reasoning is perfectly sound and logical. But the proposition

**The Union of
Protection and
Free Coinage
an Insult to
Intelligence.**

that is brought to us by the free coinage men, to unite protection with free coinage, which is the greatest visible enemy of American labor, seems to me so absurd as to be an open and wanton insult to the intelligence of the average American workingman."

"It certainly seems so to me, Mr. Bruce," said Barr, "and I'm just an ordinary, average workingman. But what does this talk of the free coinage men about the great advantage that silver-using countries like Japan and China have over us, mean? I've heard a good deal about that lately, and I'd like to understand it better than I do."

"Well, it's very much on a line with their talk of the necessity of a union between protection and free coinage. Both of them have as their ultimate and unavoidable outcome the degradation of American labor. It is possible that the advocates of free coinage do not intend this, but this would be its inevitable result. It is quite possible that some of them would regret this result when once accomplished, but their regret would not help matters. The boy who shot his little sister with the gun that he thought wasn't loaded, regretted it most sincerely, but his regret and sorrow were of no avail. So it would be with some of the free coinage men, if their theories were put into practice; their regret for the results would doubtless be as great and as vain."

"Is it your idea, then, that all the talk about the advantages possessed by Japan and China is of no account?" asked Storey.

"Nearly all of it is misleading, and the conclusions they draw are, so far as I have been able to see, utterly unwarranted by the facts. Suppose you tell us what are the advantages claimed for China and Japan by the free coinage men."

"Well, they claim that the fact that those two countries have a silver currency acts as a discriminating duty, in favor of them, of at least one hundred per cent., as against a gold-using country. That is the chief claim, I believe."

"Yes; I've seen that claim, and it seems to me the most absurd thing that has yet appeared in the free coinage discussion. When you think about it awhile, Storey, I think the true state of the case will

dawn upon you. Have you ever read what the average wages paid to labor in Japan is—I do not mean the lowest kind of labor, but skilled labor in manufactories?"

Low Wages
in Silver-using
Countries:
China and
Japan.

"Yes, sir: I have read that labor is greatly underpaid there, as compared with our wages here. It is said that workingmen receive from twenty-five to fifty cents a day—say from about \$1.50 to \$3.00 per week."

"Well, in that one fact you have the entire explanation of all the advantage that China and Japan have over us in the production of manufactured goods: it consists in a large population able to live on almost nothing, and willing, or compelled by necessity, to accept starvation wages, or what would be starvation wages in this country. Now, can you not see a little deeper into this peculiar argument of the free coinage men?"

"Let me see. I can understand the immense advantage that such cheap labor gives to those countries. Your idea is that free coinage, by reducing wages of American labor, would diminish this advantage, but would do it by injuring our own workingmen."

"That is exactly my idea, Storey. And I see no escape from such a conclusion, and you see that it's exactly in line with the facts as to the proposed alliance between protection and free coinage. The only result possible is to cut down American labor, and this gives us the new free coinage idea of protection, which, in a word, is to degrade the workingman and

greatly reduce his wages, while the old idea of protection was to keep the wages of the American workman above the foreign level. What kind of protection do you prefer, Barr?"

"It won't take long to answer that question, Mr. Bruce. A pretended protection that doesn't protect the wages of the workingman, but cuts them down to

**A False
Protection that
don't Protect,
but Reduces
Wages.**

one-half their present rate, is the worst kind of a fraud. It would soon bring about its own destruction, for the workmen are always appealed to to uphold protection, as you say, and as soon as they discovered the fraud, and it wouldn't take very long, protection would be ended forever. Can't the real protectionists see what the free coinage men are at—how they will undermine and completely destroy protection?"

"Well, Barr, a very strange fact connected with this whole subject is that here and there through the country there are men who claim to be in favor of protection, who are continually presenting all the worn-out arguments for free coinage. But I think that 'real protectionists,' as you call them, do see this danger to protection, and are doing their utmost to prevent this degradation of American labor."

"Mr. Bruce, I'm reminded of a talk I had a few days ago with a free coinage man," said Storey, "and as it is just in line here, I'd like to tell you and Barr about it. It was one of the queerest talks in a way that I ever had, for the free coinage man gave me all the argument himself, but denied its weight on my side, and I'd like to ask you whether you think my position was correct."

"Let us have it by all means, Storey. It will be refreshing, indeed, to hear something like argument from a free coinage source."

"Yes, but the whole force of the argument was on my side, Mr. Bruce; don't forget that. We got to talking on this very question of the advantage of the silver-using countries over the gold-basis countries, and he gave me an instance which occurred lately, and which he said he knew to be true, and he thought it proved his case, and I'm sure it proved mine. He said he knew of a certain manufacturing concern in this State that received an order for goods from Mexico. The order was filled, and the bill amounted to \$600. He said he knew that to pay that bill the purchasers in Mexico had to take 1200 of their Mexican silver dollars, and buy a draft on New York for 600 of our gold-basis dollars, and remit that to the manufacturer here. He claimed that that proved that silver-using Mexico had the advantage of 100 per cent. protection, just because they used silver money and we used gold."

"And what did you tell him, Storey?"

"Well, I told him that if he thought it an indication of advantage to pay \$1200 for what we in this country paid \$600 for, it was an advantage I was willing the Mexican should enjoy. It's a kind of advantage that I don't care for. And then what do you think he said?"

"I'll have to give it up, Storey. I can't even imagine how far the folly of a free coinage man might carry him."

"Well, you'll hardly believe it, but he went on to say that the great advantage the use of silver gave those countries was that one of their dollars would pay for just as much labor as one of our dollars, so that the cost of production there would not be nearly so great as here. I told him that that simply meant cutting down wages to one-half what they were in this country, but he merely pooh-pooh'd at that, and said there was no argument in it, and that I didn't understand the question at all."

"Did he actually tell you that, Storey? I don't mean, did he tell you that you knew nothing about the question, for that's quite a natural remark from a free coinage man, but did he actually say that one of the 50-cent Mexican silver dollars would pay for as much labor as one of our 100-cent dollars?"

50-cent Dollars
Paying for 100
cents' Worth of
Labor: The
Free Coinage
Plan.

"He certainly did, Mr. Bruce, and he appeared to think it was a most convincing and conclusive argument."

"Is it possible? Why, he gave you the strongest argument sound money has ever had, and wasn't able to see it. You can both see how the fact he gave—and I do not question that—proved conclusively all that I have claimed as to the union of protection and free coinage, as well as the whole scheme of free coinage itself; it simply means that by means of free coinage we should reduce the wages of American labor to that of Mexico, China and Japan. Under free coinage we would, of course, still pay them in dollars, and *it would sound all right*, but the dollars would be worth just one-half as much

as our present dollars. This Mexico case proves that fully."

"I tried to tell my free coinage friend that, Mr. Bruce, but he couldn't or wouldn't see it. I asked him how much the Mexican people had to pay in their money for that purchase that cost here \$600, and was paid for by the merchant in Mexico with 1200 of their dollars. I said I supposed the working people and those who bought those very goods had to pay 1500 or 2000 of their dollars for them. But he ignored that part of what I said, and said there was no argument in it."

"No, I suppose not; he would hardly feel the force of your argument, but I hope the workingmen of our country will. Let us suppose that that order

<p>Workingmen Paying Two Dollars for One Dollar's Worth of Goods.</p>	<p>was for flour, costing here \$600. It would cost the Mexican dealer 1200 of his dollars, and he would want to sell it to the people down there for as much over \$1200 as he can—say about \$1500.</p>
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Now, how do the working people down there get along? They are paid in silver dollars, and for an article that will sell in this country for one dollar, they pay two dollars. And that would be the case with the American workingman under free coinage. Do you think he will care to go to those conditions?"

"Well, not with his eyes open," said Barr.

"Then you, and Storey, and others like you, ought to tell him to get his eyes very wide open, for his best interests are at stake in this question."

"There's another point I want to touch on, Mr.

Bruce, before we leave this Japanese claim of the free silver men. They say that the fact of the use of silver in those countries acts as a high protective duty to them, but I told my free coinage friend that the fact that Mexico had to pay 1200 of her dollars for a bill costing 600 of our dollars, didn't serve to keep those goods out of Mexico, or to protect her from them; it only made them cost her people who bought them two dollars where they would cost us Americans only one dollar; so where was their great advantage? It only operated to hurt her own people."

"And you might have added, it didn't help the American manufacturer. The 1200 Mexican dollars he received would only be worth \$600 to him, unless—and just here's the important point—unless he can reduce American labor to the Mexican level, and pay out one of those 1200 Mexican dollars for the same labor that now costs him one American dollar, which, we have seen, is now worth two Mexican dollars. That is the whole programme of free coinage, gentlemen, so far as it affects workingmen, and it explains fully all this talk about free coinage and protection

being natural allies; if protection really means reduction of wages to labor, then Protection that Reduces Wages the Natural Ally of Free Coinage. it is the natural ally of free coinage, but if it means protection to labor, then it is the natural enemy of free coinage."

"I think the workingmen of the country will keep it the friend of labor, or else its days will be very few," said Barr.

"I'm very much obliged to you, Mr. Bruce," said Storey, "for making that part of the subject so clear.

I had the same idea that you have, but I didn't see it like I do now."

"There's another point in this line that has occurred to me as we have been speaking of the underpaid labor of Mexico, and China and Japan. Have you ever heard silver called the 'poor man's money?'"

"Oh, yes, we've heard that often," said Barr.

"Why do you suppose the free coinage men call it that?"

"Well, I give it up, Mr. Bruce. I used to think they meant it suited his needs the best. But after what you've told us about it's being intended to pay him half wages, I suppose it's because silver is the poorest money and not worth as much as gold."

"I wanted to call your attention to this, Barr, because it seems to me to be cruel and unwarranted sarcasm to call that money the 'poor man's money' which would actually cut down his

The
"Poor Man's
Money;"
No Money too
Good for Him.

wages immensely, if the free coinage men could have their way. I want to say that, in my opinion, no money can be too good for the 'poor man;' it is to his interest, especially, to see that he gets full value for his money; he, of all men, wants a 100-cent gold dollar. The 50-cent silver dollar would answer better for any other man, rather than the poor man or the workingman. They both want the best money there is."

"I agree with you there," said Barr. "If anybody's got to take the 50-cent dollar, let it be the rich man, not the poor man."

"We'll let it be neither, Barr, so far as we are con-

cerned. We will help to ward off the injury of free coinage from all classes—the rich and the poor alike—and the great middle class, too.”

“Mr. Bruce, what is your idea about the ‘primary money’ that the free coinage people say so much about?” asked Storey.

“Well, I simply think that’s a term invented by certain writers and speakers to confuse the minds of the people with. When two men get to talking about ‘primary money,’ it’s a ‘fearsome and woeful’ sight. It reminds me of the old Scotchman’s definition of a metaphysical discussion. You remember that, I guess, Storey?”

“I don’t think I do, sir. What was it?”

“Why, he said that a ‘metaphysical discussion’ was when two men discussed in incomprehensible language a subject that neither of them understood. It seems to me, when I read or hear what the free coinage men have to say about ‘primary money,’ that I am being bored by the most learned nonsense that has ever been forced on a suffering people.”

“Well, I am glad to hear you say that,” said Storey, “for I’ve tried my level best to understand what they say about it, but I haven’t been able to make anything of it. I thought for a while they were trying to prove that silver was the only ‘primary money,’ but you see they all say they favor the *double standard*, and claim that the double standard existed from the opening of the United States Mint in 1792 till 1873; so that conclusion would’n’t answer, and then I gave up trying to understand them.”

**The Mystery
of Primary
Money.**

"A wise decision on your part, Storey. If the free coinage men want to advocate real 'primary money,' they should demand the restoration of sea shells as money, for the earliest money consisted of them. If they are talking about the earliest money used after the formation of this Government, then every word they say about the *double standard*, as you say, binds them to admit that gold was just as primary then as was silver, and that, you see, denies their assertion as to silver being the only 'primary money;' so again they contradict themselves."

"Mr. Bruce, I've thought out a plan by which the free coinage men can secure the free and unlimited coinage of their product," exclaimed Barr.

"Is that possible? Well, let us have it. May be you'll be the one to lead them out of the 'slough of despond.'"

"Well, it's very simple, and I'm sure it'll answer. It's this: Let them put a dollar's worth of silver in a silver dollar, just as the gold miner and owner puts a dollar's worth of gold in a gold dollar. Won't that do the work?"

"No; your plan won't work, Barr. It might be acceptable to the plain business people of the country whose only wish is to maintain the same standard we have had for over sixty years past, but it wouldn't in the least suit the free coinage men, whose object is to induce or compel the Government to pay one dollar for 50 cents' worth of silver. Their only demand has been that the people pay them two prices for their metal, and I

A Dollar's
Worth of Silver
in a Silver
Dollar:
Why not?

don't think your plan would be in the slightest degree palatable to them."

"Well, then, I'll give up trying," said Barr, "and just stand by the present gold standard."

"A wise decision, Barr. There are two conditions on which our country might, singly and alone, adopt free coinage, and both of these are in the hands of the free coinage men themselves, to grant or to withhold. The first is, that they restore the conditions that existed before 1873, or rather before 1860, because about 1860 both gold and silver disappeared from circulation, and guarantee that the production of silver shall be no greater than it was then, so that in the next eighty years we shall coin only about eight millions of silver dollars, as we did previous to 1873; and the second condition is, that they buy up all existing and future silver mines and actually limit the production to that small quantity. The first condition would be a promise; the second, its fulfillment."

"But wouldn't they have to control the silver mines of the world to do that?" asked Storey.

"I suppose they would. But as their present plans would compel us to buy all the silver of the whole world, at double its present price, I see no

Possible Free	injustice in that. I do not say that the
Coinage:	conditions suggested are easy, I only say
Restore	that they are just. The free coinage men
Conditions as	say: Let us restore the law just as it
before 1873.	was before 1873, and have free coinage
	as we did then. To this we reply: First restore the
	conditions that existed before 1873, limit your prod-
	uct to what it was then, and then we can have free

coinage *just exactly as we did then*. This condition is one of equal and exact justice, but I don't think it would be any more acceptable to the free coinage people than yours, Barr, because it don't provide for two prices for their product."

"But, Mr. Bruce," said Storey, "don't the free coinage men claim that the business of the country has greatly increased during the past twenty or thirty years, and that, therefore, we should have much more money than we did then; and as an easy way to get more money they insist on free coinage of silver?"

"I'm glad you mentioned that point, Storey; I might have overlooked it. Can you give us any of the figures of the free coinage men?"

"Let me see. I heard one of them talk the other evening, and I think he said that in 1860 the output of gold was 160 millions, and in 1890 it was 200 millions, a gain of about 25 per cent. Then he went on to give the figures of general business, which proved, he said, that business in many lines had increased nearly 2,000 per cent., that is, to about twenty times the 1860 figures."

"Yes, and from that he argued, I suppose, that the currency should be correspondingly increased?"

"Yes, sir; that was his argument."

"Well, let us look at that just a minute. When our Government coins so many millions of gold a year, what becomes of it, Barr?"

"Why it goes into circulation, doesn't it? That's what it's meant for."

"Yes, and it stays there, too. In other words, the yearly amount of gold or silver coined is the

yearly addition to the currency, and each years' coinage is added to the stock of the preceding year. So that by these yearly additions the stock of money is gradually increased, and if you will add to the stock of money we had in 1860 the amount coined since then, especially the 500 millions of silver money, coined and uncoined, which has been unfortunately forced into our currency—and also add the bank-note circulation and the United States notes—you will find that our currency has increased in very fair proportion to our business."

"Well, I'm very glad to have that explanation, Mr. Bruce. I think the figures of the free coinage men were altogether misleading. I see now, you have to add all the coinage together to compare the amount outstanding at different times, while the volume of business must be taken and compared a year at a time."

"Exactly, Storey. The figures were utterly misleading, as a great many free coinage figures are. There is also another fact that we should remember just here, and that is, that the great bulk of business in this country is done by means of checks, notes and other evidences of value—representative money, it is called. About 90 per cent. of all business is done in this way; and in the larger cities a still larger proportion, from 95 to 98 per cent. As a general rule, you see, very little actual currency is used, especially for large transactions. Why, no business man would think of paying a thousand dollar note with silver. That much silver weighs sixty pounds, and who

wants to carry that weight around? In fact, the people don't like silver, and won't take it when they have a choice of other kinds of money."

Silver not a

Favorite with
the people.

"I've heard it said, Mr. Bruce, that for a number of years the Government paid the expressage on all silver dollars that were ordered by the banks, and yet could not get many of them into circulation."

"That is true, Storey. For several years that was done by the Government in its desire to force silver dollars into circulation, and yet all that it could induce the people to use was about 50 millions of dollars. The rest of the 500 millions of silver is deposited in the various treasuries, either in the shape of coin or bullion, and is represented in circulation by silver certificates or United States Treasury notes."

"Mr. Bruce, you said something awhile ago about a revision of our currency laws being necessary," said Barr. "What do you think ought to be done about them?"

"Excuse me, Barr, I'm not going to burden you and Storey with my notions on currency reform. Like nearly every man who has thought about the subject, I have some ideas about revision, but I think it would take your time to little purpose for me to give them to you. There are two thoughts about it, however, that I am willing to give you."

"What are they, Mr. Bruce?"

"Well, the first is, that the whole subject ought to be referred to a competent committee of revision, composed of some of the leading business men of the country. If it should seem unsafe to trust bankers-to

aid in this work, let it be referred entirely to members of commercial bodies, manufacturers and farmers. A committee of fifteen or twenty-five representative business men could readily be appointed, and their work would, in all probability, stand the test of many years' experience, just as the good work of the British committee of 1816 has stood the test of eighty years' actual service, and has made of England the greatest money power in the world, the country whose credit is unquestioned, whose bank notes command gold all over the world, and whose commercial standing is worthy of imitation by every other nation."

"The other remark I wanted to make is this: The chief disturbing feature of our present currency is the United States notes known as legal tenders. These should by all means be withdrawn from circulation and cancelled. They form the 'endless chain,' by which gold is continually drawn from the national treasury. For years past they have made the United States Treasury largely a shipping office for the shipment of gold to Europe.* While England and Germany and France—the latter especially—have been piling up gold in their national treasuries, our own

* The largely increased holdings of gold, as shown by the following figures, quoted from *L'Economiste Européen*, are full of instruction, when compared with the gold exporting record of our own country during the past few years. The aggregate gold holdings of the European Banks since 1890 have increased as follows:

December 31, 1890	\$970,900,000
December 31, 1892	1,232,000,000
December 31, 1894	1,500,000,000
December 31, 1895	1,532,000,000

Government has been forwarding all it had to them, and then issuing its bonds to get more. This has been due chiefly to these legal tender notes."

"What you just said about England reminds me of a question I had intended to ask you," said Storey. "Do you think England can be induced to agree to the plan of international bimetalism that so many persons think would be the right way to settle this whole question?"

"No; I do not. I confess I haven't the slightest faith in international bimetalism. I doubt whether either France or Germany, to say nothing of England, could be induced to enter into any international agreement looking to the restoration of silver."

International Bimetalism: a Pleasing Dream.

"Then you don't regard that as at all a possibility?"

"It may be possible, but I should say it was highly improbable. Did you notice the recent report of the Chancellor of the Exchequer to the British Parliament?"

"No, sir; I did not. Did he say anything about international bimetalism?"

"Not directly. But he did say that the condition of the national treasury had never been more favorable; that the national credit was never before so strong; that the working people, judging from their savings in the saving banks, were never better off, and that the general condition of business was never more satisfactory. Now, do you think it probable that that country, with a well-defined and long-established financial policy, which has led to such results, will

quickly change that policy for one that is, to say the best of it, still questionable and uncertain?"

"No, sir; I don't think it is very probable, looking at it in that way. But a great many men seem to think it could be accomplished, and some speak very confidently of it."

"Yes, I know; but their opinions are generally colored by their wishes. In some cases, if you'll simply scratch an international bimetalist, you'll find a free coinage advocate underneath; in a few other cases, men will present all the extreme arguments for free coinage, and then, when asked if they are in favor of the result toward which all their reasoning leads, will astonish you by saying they are in favor of international bimetalism. I think the honest course would be for one who continually argues in favor of

**Free Silverites
Hiding Behind
International
Bimetalism.**

free coinage, to try to assume the courage of his convictions, and not hide behind such an improbability as international bimetalism."

"Then you think it not worth while to make any attempt to secure that, do you, Mr. Bruce?"

"I see no objection to our Government trying the experiment, if it wishes to do so; but I think the efforts will result in failure. Storey, I guess you can tell us, how often has our Government attempted to secure some international agreement in regard to silver in the last twenty-five years?"

"Three times, I think."

"Yes; three times in twenty-five years, and each attempt unsuccessful. Now, at that rate, Barr, how

soon can we expect to secure international bimetalism?"

"Well, at that rate, sir, it would take a good while. It reminds me of the little Scotch boy's sum at school. He told his teacher that 'if wunst nought was nothing, then twice nought must be something, 'cause it was double what wunst nought was.' So the international bimetalists say: 'We've tried for it three times in the last twenty-five years, and have failed every time, *therefore* we're sure to succeed the next time.'"

"A very good illustration of free coinage logic, too. But we mustn't forget that a great many of those who favor international bimetalism—the great majority of them, I think—are in favor of maintaining the present gold standard, and are utterly opposed to free coinage until an international agreement shall be approved by the great nations of the world. To my mind, their position is equivalent to this: International bimetalism can never take place; we are in favor of the present gold standard until it does take place. That is the kind of international bimetalist I am myself."

"Then I think I'll have to put you down as a 'gold-bug,' Mr. Bruce."

"All right, Storey. I'm in favor of the present single gold standard, the same standard we have had in this country for over sixty years past, and I'm willing for you to call me anything that will express that fact clearly and unmistakably. If 'gold-bug' is the expression that conveys that meaning best to your mind, then let it be 'gold-bug,' or any other name

will suit as well, provided it means the single gold standard and 100 cents in the dollar."

"And we're both with you, Mr. Bruce," said Barr. "Anything less than 100 cents in the dollar is robbery to the extent of the shortage, and as the gold dollar is the only honest dollar I see, and the gold standard the only honest standard I know of, I stand by both of them, and I'm sure that Storey here, and all other workingmen, will do the same."

"There's a question I want to ask you, Barr; you are a workingman, so tell us what makes prosperity for the workingmen of the country."

"That's not hard to answer, Mr. Bruce. I should say 'plenty of work at good wages' would fill the bill."

What Makes Prosperity for Workingmen, Farmers and Business Men? "And you would be right, too. Mr. Storey, what makes good times for the farmers?"

"Well, I'm not a farmer, but I should say that big crops and good prices for them would bring them prosperity."

"You're just as right as Barr was. Now tell us, too, what makes prosperity for merchants and manufacturers."

"About the same thing, sir. The manufacturers are producers, like the farmers, and want a ready market and good prices for their goods, and merchants want the same thing exactly."

"You are right, Storey. Now, let us put those few facts together. The farmers and manufacturers and merchants want good markets and good prices. What class can make these for them? The working-

men and workingwomen, undoubtedly. Go and ask any intelligent farmer who make the best customers in the markets, and he will answer: 'The workingmen, in good times.' And the same is true of the others also. Now, reduce the wages of the workingmen one-half, or deprive them of employment, and what happens? Why, the farmer and the merchant lose their best customer, the demand for the manufacturer's goods falls off, and his mill shuts down. It is a standing wonder that any farmer or merchant in this country, knowing the value of a good home market, and how largely his prosperity depends upon the workingmen, should for an instant favor a policy which means reduction of wages to the workers, and the destruction of the best part of his own business—that part depending on the workers. I should think any school-boy could see how closely the prosperity of the two are related."

"I agree with you, Mr. Bruce," said Storey. "It seems to me that any farmer who favors free coinage is simply trying to kill the goose that lays the golden egg. The experience of the last few years ought to be sufficient to teach any farmer where prosperity lies for him. He wants good home markets, and the workingmen make these for him. But, Mr. Bruce, there's another question on a rather different subject I wanted to ask you, but have hesitated a little to do it."

"Let me have it, Storey. Don't feel any hesitation to ask questions on any point."

CHAPTER VII.

THE THREAT OF FREE COINAGE:

ITS INEVITABLE DEFEAT.

"WELL, sir, the question I would like to ask you," said Storey, "seems sort of personal, and I hardly like to ask it, and yet it's on a point that has been put at me again and again, and I would like to understand it better than I do."

A Personal

Question: Why
are Bankers
Interested?

"Let me hear the question, by all means," replied Bruce. "It can't do any harm to ask it, and if I can't answer it, I'll say so. You know any child can ask questions so deep that the wisest scholar cannot answer them; so it's very easy for you to get beyond me."

"Oh, you can give me an answer, I'm sure, Mr. Bruce; but it seemed rather personal. The question is: What is the reason of the great interest of the bankers in the question of free coinage? Now, I don't want you to take any offense at it."

"No danger, Storey. I think that is a perfectly legitimate question. The answer to it is, in the first place, that it is entirely natural that the bankers should be interested in a question of money: that is their business; in the second place, bankers are among the greatest debtors in the country, and as this free coinage question concerns debtors—so, at least,

its advocates tell us—we are of necessity interested in it.”

“Why, how do you make that out, Mr. Bruce? Bankers belong to the debtor class! Why, they are always regarded as belonging to the creditor class. Business men and all who borrow money owe the banks, so how do you make it out that they are debtors?”

“Very easily, as you will see. The banks are among the greatest debtors in the land. The money which they lend, they owe. They receive deposits from those who deal with them, and a portion of these deposits—perhaps the whole amount—they lend to the borrowers. Every dollar represented in the assets of a bank is owed to somebody, either to the depositors or to the stockholders. So you see that banks

Banks Among the Greatest Debtors in the Country. are really in the debtor class, so far as you can separate people into classes at all, which, as we have seen, is not really a possibility.”

“Well, it does look as if you had a clear case of it, but I never looked at it in just that way before.”

“No, I suppose not. Nor have many others, evidently; certainly not the free coinage men, for they always represent the banks as the creditors of the rest of the people. But you and Storey are both creditors, and the Savings Bank here in town is your debtor, and the millions of workingmen and workingwomen who have their savings invested in the banks of the country and in the building and loan associations, are really creditors, and these other institu-

tions are their debtors. You can certainly see that, Barr?"

"Oh, yes; I understand that now. There's nothing like bringing it home to a man to help him see it."

"I'm glad you see it so clearly. Now, let me give you another, and the chief, reason why bankers are interested in this question, and why they, almost without exception, are opposed to free coinage. It is simply because they wish to return to their depositors, when it is wanted, just as good money as they have received from them. The banks and saving institutions of this country have received from their depositors—many thousands of whom are working people and wage-earners—many millions of dollars. Having received this money in gold-standard dollars of full

Banks in
Favor of the
100-cent
Dollar: Why
they are so.

purchasing value, it is as natural as it is just, that the banks should desire to return this money to those who have trusted them, in dollars just as good—of the same standard and value. Would anything less than that be honest?"

"I don't think so, sir."

"Neither do the banks. Now, the threat of free coinage is an idle threat; it never has been strong with the people, and every day it is growing weaker, and is doomed to an overwhelming defeat when the people more fully understand it. But you can readily see why the banks should oppose it, as it is this threat of free coinage which has weakened confidence abroad and at home; has disturbed all values and caused heavy losses to themselves and customers, and would

still, if it could, cause losses to them and to their creditors."

"Yes; I can see that clearly enough, and I see, too, that you have turned the tables completely on the free coinage men, who are forever talking about the banks being the great creditors, and say they have been getting the better of the great 'debtor class.' Why, there isn't any 'debtor class,' and if there was, the banks would be in it as much, if not more, than anyone else. Do you know what the whole game of the free coinage men seems like to me?"

"No; I'll have to give that up, Barr. What is it?"

"Well, it seems like one great bunco game, in which the people are to be the victims, and the silvermine owners and bullion owners are to be the winners. But I don't think it'll work. The people might have been led into such a trap years ago, but I think their eyes are open now, or they are getting them open pretty quickly. The school-teacher hasn't been abroad in this country fifty years for nothing, Mr. Bruce. Most of our people have gone to school, and can add two and two together and make four of it without help, even from a free coinage man."

"I'm glad to hear you say that, Barr. Everything depends upon the people understanding this question fully. There are indications already in many quarters that they are beginning to comprehend the full meaning of free coinage, and that is always closely followed by their strong condemnation of it. But before I get entirely away from the subject of the banks, there are one or two facts about that part of the bank-

ing business which concerns the currency, that I would like you to understand fully, so that you can explain it to others. You have both heard, no doubt, that the right to issue circulating notes is a very valuable privilege enjoyed by the national banks, have you not?"

"Oh, yes; we've heard that again and again at the club," replied Barr.

"Then if I tell you that it is a privilege very lightly esteemed by the national banks, you would probably be surprised, wouldn't you?"

"I certainly would, Mr. Bruce," replied Storey. "I've always understood that that was a very valuable privilege of the national banks."

"On the contrary, Storey, it is not regarded by the banks themselves as of very great account. Take

<p>National Banks do not greatly Value their Right to Issue Circulation.</p>	<p>just one or two facts. The total capital of the national banks is about 660 millions of dollars. On that capital they have the legal right to issue notes to the amount of nearly 600 millions of dollars.</p>
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As a matter of fact there are only about 200 millions of national bank notes in circulation. Now, banks are in business to make money, and if it paid them to do so, the total amount of their possible circulation would certainly be issued. Is not the conclusion irresistible, Storey, that the banks do not think the issuing of circulation a paying business?"

"It certainly is, sir. Why, that is one of the most surprising facts you have given us yet."

"And yet it is the undeniable fact, and a fact very well understood among the banks, but it is scarcely credited outside of them. There is a popular delusion

to the effect that the issue of circulating notes by the banks is very valuable, indeed, and I want you to help overcome it. The privilege is so slightly held by the great majority of the banks, that they only issue the very lowest amount of notes they possibly can. That fact speaks volumes, does it not?"

"It certainly does, sir. Why, I have heard it stated again and again that the banks made from 10 to 15 per cent. a year on the circulation they issued."

"And the statement had absolutely no foundation in fact. If it had, we may be sure the banks would not neglect such an opportunity to make big profits."

"I should say they wouldn't; it wouldn't be like them to do that. So we can set that down as another exploded theory, Barr."

"That's so: there don't seem to be anything left of it. But, Mr. Bruce, there's just one question I'd like to ask you right here. Where do the immense profits of the banks come from then?"

"That's not a difficult question to answer, Barr. In the first place, not all banks make immense profits. A great many banks through the country only pay 5 or 6 per cent. dividends annually to their stockholders."

"Yes, but there are some that make enormous profits. Why, I've heard of some that declare dividends of 16 per cent., and I did hear of one or two that paid over 50 per cent. a year."

"That is true, Barr, and is very easily explained. Let me illustrate by supposing a case. Suppose that you, David Barr, should open a private bank, and that all the people in this part of the country should say:

'There's David Barr's bank ; he's just the man I can trust ; he's got good judgment, and knows how to invest money ; I'll take my spare cash to him.' Now, suppose your capital was \$5000—to start with, and that these people brought you altogether \$50,000—in deposits. If you invested all that at from 5 to 6 per cent., don't you think you could make a pretty nice dividend on your own capital of \$5000 ?'

"Certainly I could. Is that the way it's done ?"

"That's just the way, Barr. And that's pretty nearly all there is in the profits of modern banking ; and it explains fully the large dividends made by some

of the banks. Why, the bank you referred to as paying such heavy dividends, has a capital of \$300,000, and its deposits frequently run up to 30 millions. If all that immense amount should be invested at only 4 or $4\frac{1}{2}$ per cent., it would enable the bank to make very large dividends, would it not ?"

"It certainly would, sir. Well, I'm glad to know how it's done, for I've always thought there was something strange about it, and something the banks didn't care to have known."

"Well, as the banks publish statements of their business several times a year in the public press, they naturally thought the public understood it. But it is strange how dense human ignorance can be. Why, the statement was recently made in Congress—at least it was so reported—that the banks making large profits must charge very high and illegal rates of interest on their loans in order to do so. Now, as a matter of fact, banks that have been making a clear 5 per

cent. on their investments the last few years consider themselves very fortunate ; in many cases their average profits on loans and investments will not run over 4 or 4½ per cent. The reason why they can still make large dividends on their capital is found in the fact already given—a large line of deposits in proportion to their capital. And yet such utterly absurd charges as were made in Congress will, no doubt, be made to the end of time.”

“I’m glad you have given us that explanation, Mr. Bruce,” said Storey. “But I wanted to ask you further about something you said a few minutes ago.”

“What was that, Storey?”

“Why, you said something about free coinage being only an idle threat. You don’t think, then, that it has any chance of success?”

“I can best answer that question by asking another. If a person thought of going from New York to Boston, and should travel due west, what would be his chance of arriving at Boston?”

How Free
Coinage
Progresses.

“I should say there wouldn’t be any chance at all. The longer he traveled the farther he’d get away.”

“Well, the progress of the country toward free coinage is a good deal like that, except that it never had free coinage as an objective point. Still, about six years ago, the country, by a vote in Congress, was not so very far off from free coinage ; the Senate had passed such a measure, and the House defeated it by only twenty or thirty majority. But since then, as the people have gained a better understanding of the

subject, the vote in the House of Representatives has been growing stronger and stronger against free coinage. The Silver Purchase clause of the Act of 1890 was repealed, you remember, by a vote of 240 to 110. That was in August, 1893. Since then the free coinage vote in the House has largely declined, some of the most active free coinage advocates finding themselves kept at home by their constituents at the last election—an experience that will doubtless be shared by some of the free coinage Senators in the near future. In February of this year (1896), you remember, a vote on a Senate free coinage substitute was taken in the House, and it was rejected by a vote of only 90 in favor to 215 against, showing a decided shrinkage in the free coinage vote."

"Well, I'm glad to have those figures. They show that the people are getting a grip of this question, and that there's no hope whatever for free coinage. As you say, the free coinage men are making about as rapid an approach toward free coinage as the traveler would by starting due west from New York to go to Boston. The faster he goes, the farther off he gets."

"Yes; and the only thing the country has to fear from free coinage, is the effect of the continual threats it is able to make through the Senate. While these threats are utterly null and void, so far as accomplishing anything for free coinage is concerned, they still have the effect of unsettling confidence and injuring credit at home and abroad, and, therefore, cost the country a good deal. But, with a more thorough understanding of the subject by the people, we may ex-

pect to see even this costly and foolish threat removed, as it should be, and the sooner the better."

"And I agree with you, Mr. Bruce. As soon as the people get a good grip of this question, I'm sure free coinage will be very near its end. But there are two or three points that came up in a talk with a free coinage man the other day that I want to ask you about, before we get through."

"What are they, Storey? By all means, let Barr and myself have the advantage of considering them at least; even if we should not be able to answer them."

"Well, in the first place, he took me to task for using the word purchase, when I spoke of what the Government would be compelled to do under free coinage—that is, take all the silver offered to it at double the present price. He said it wasn't a purchase by the Government at all, but just a deposit by the individual owner. Which of us was right, do you think?"

"Well, you were both partly right and both partly wrong, Storey. What would really happen under free coinage would be this: any owner of silver bullion would have the right to take it to a United States Mint, deposit it, and demand a silver dollar for every $371\frac{1}{4}$ grains in the weight deposited; and the Government would be compelled to hand over the silver dollars as demanded. Now, if that transaction should take place in a store anywhere in the country, I think it would be called a purchase and sale, for the person depositing the silver bullion receives from the Government something very different from what he gives to the Officer of the Mint, and that is really the essential principle of a purchase or a sale."

"Why, how do you make that out, Mr. Bruce?" said Barr. "Doesn't the party who deposits the silver get just the same weight of silver back again?"

"Yes, of course, he does; but with something very valuable added. The silver he deposits is merely a commodity, worth its market price, like iron, copper or lead; the silver dollar he receives is something vastly different, for it is a 'legal tender' at a certain fixed value for all debts; it has acquired a 'purchasing value,' and the Government, by affixing its name and seal, has assumed all liability for it, and the owner can now transfer it, calling it one dollar or one hundred cents, for anything he may buy. Do you not think the owner of the silver bullion has received from the Government a great deal more than the Government received from him?"

"That's so, sir. It seems to me it's about as near a purchase and sale as it could be, and a pretty good bargain, too, for the silver owner, when you think he would get one dollar from the Government for every 50 cents' worth of silver he deposited."

"And yet, Storey, your free coinage friend was to a certain extent right, too, in saying it would not be a 'purchase.' To be exact, it would be an 'exchange'—in fact, very much like the old exchange called 'barter,' with this difference, that while in the old days it was sometimes one party that would have the better of the bargain; sometimes the other; under free coinage, the Government would continually be the loser, and would lose very rapidly, too."

"Yes, sir; and we ought to remember all the time that the Government means all of us, too. The peo-

ple would be the losers all the time, and the millions made by the silver owners would be exactly so much lost by the people. Well, I won't insist on calling it a 'purchase' or 'sale,' although it seems to me it's about as near that as anything, nor I won't call it an 'exchange' nor a 'deposit,' either; but I will call it a 'one-sided bargain,' with Uncle Sam the loser all the time."

"And you'll be just about right, old man," said Barr. "But I don't think you'll have any real occasion to use either. I don't think the people of this country are so foolish as to be *led* into any such bargain, and I'm sure they can't be *driven* into it."

"I guess you're about right, Barr. There was another point that came up in our talk, Mr. Bruce. I was trying to show the free coinage man that the farmer had nothing at all to gain from free coinage, and I used the illustration you gave us the other evening about selling the 1,000 bushels of wheat, now worth 75 cents a bushel, at \$1.25 a bushel, under free coinage, and asked him how much the farmer would lose in that way. And what do you think he said? He said that was not a fair illustration; for if I was going to say that wages would be reduced one-half on the one side because of loss of purchasing power, I ought to admit that the selling price of the farmer's product would be doubled on the other side."

"And what did you say in reply, Storey?"

"Well, I confess it was rather a poser at first, Mr. Bruce. But then I remembered what you had said about some employers perhaps being willing to raise wages to some extent on the one side, and that seemed

to make the illustration a fair one on the other side."

"Yes, but don't you recall what Barr said, Storey, when I asked him what would happen when the workingmen realized, under free coinage, that because of depreciated purchasing power, he had suffered a big cut in wages? He said he thought the 'machine would stop running for a while.' In other words, there would be complete paralysis in the industrial world, and no man could say how soon it would end. For a while, at least, instead of getting even half wages, the workingmen would probably get none at all. Now, what would happen under such circumstances? Do you think prices would suddenly double?"

"Well, I should hardly think so, sir."

"No; and I do not believe any one would expect them to. The first effect of free coinage would be the general unsettlement of all prices, and the disturbance of all business conditions. Now, this is a question which the intelligent farmer should consider: whether, under such conditions, the prices of his produce are going to double at once? If they should, then he might come off without loss; if they should not, then loss to him would be inevitable. The very utmost that free coinage advocates have ever promised the farmer has been the doubling of present prices for his produce; and, measured with present conditions, it would require such doubling for him to come out even; anything less than that would certainly mean loss to him. The illustration I gave you in our last talk was given to show clearly this danger of loss to him. I think we can all see that this danger is a

real one, and one that the sensible farmer can not afford to overlook or ignore ; for he is entirely without any guarantee that the promises of the free coinage men can ever be realized."

"Now, Mr. Bruce, hold on a minute," said Barr. "I want to get that fixed in my brain, so that I can use it with the boys at the Club."

"Very well, Barr ; suppose you state the case yourself."

"Well, if I understand it, it's this way. Under free coinage there would be such a mix at the beginning that no workingman would be sure of even half wages, and this would unsettle everything else, including prices for farmers' produce. While these prices would advance very much, there's no certainty that they would double at once ; and everything less than a doubling would mean loss to the farmers, when compared with present prices and our present gold standard. Is that about right ?"

"That's just about right, Barr ; and clearly put, too."

"I should say that was sound reasoning, Mr. Bruce," said Storey. "I'm sure I never heard of any guarantee the free coinage men offer, and I've never been able to see any real ground for their promises, either. But there was another point, too, that was touched on, and that was the 'appreciation of gold.' Of course, a free coinage man can't give that up easily. This one put it in a little different way from what we've been considering it. He said that the demand for gold by foreign countries of late years had been so great that there wasn't enough gold

to go round, and that this had made it 'appreciate' greatly. Now, what can you say to that, Mr. Bruce?"

"Well, there are two things that can be said in answer to that, Storey. In the first place, you can point out the fact that in spite of the great demand for gold in foreign countries the per capita circulation in this country has greatly increased during the last twenty or thirty years, and all of this circulation has been maintained at par with gold by our Government. For instance, the circulation per individual in 1860 was \$14.06; in 1872 it had increased to \$18.70; while in this year (1896) it had increased to \$21.35, an increase of over 50 per cent. in the per capita circulation as compared with 1860. Does not this fact show you anything, Storey?"

"Well, it proves that in spite of the alleged 'appreciation of gold,' which the free coinage men complain of, there has been no decrease in the circulation in this country; but, on the contrary, a very large increase."

"Yes; and that fact completely answers all charges of damage through the appreciation of gold, for it shows that, even admitting that there is a slight measure of truth in that claim, it has not resulted in making money any scarcer here. But there is another fact that also answers that claim fully. If we admit that there has been a slight appreciation of gold, due to the increased foreign demand, a mere glance at the recent production of gold in the world will show us that the largely increased production will soon remedy any danger from this source. Have you seen any of

the figures giving the production of gold in the last few years, as compared with the production of the same metal twenty years ago?"

"Only the figures you gave us a while ago from this little book—'Silver and Common Sense.'"

"Well, those figures were for several years at a time. Here are just a few, showing the *annual* increase. In 1873 the world's production of gold was 96 millions of dollars; in 1880 it was 106 millions; in 1894 it was 180 millions; and in 1895 it had increased to almost 200 millions. So you see that since 1873 the annual production of gold has doubled, and it is estimated by those best posted that this will be increased in the next few years. Now, does not this fact fully answer the claim of danger from any possible 'appreciation of gold,' because of the foreign or domestic demand?"

"I should say it did, sir; fully."

"And now your questions have reminded me of another point in the free coinage claims that I might have overlooked, Storey. You have no doubt heard its advocates claim that the inflation of the currency which would be brought about by the free coinage of silver would stimulate all lines of business, and thereby increase the work to be done and give employment to a great number of workingmen."

"Oh, yes, we've both heard that claim. I'm glad you've touched upon that. What do you think of it?"

"Well, I think it's like most of their assertions; that is, without any foundation in fact. They base it, you notice, upon a largely increased circulation, due, as they claim, to the free coinage of silver.

Now, as a matter of fact, which you and I can see clearly and readily understand, the very first effect of the free coinage of silver would be an immense *contraction* of the currency."

"You mean by the withdrawal of gold from circulation, don't you, Mr. Bruce?"

"Certainly, Barr. I was sure you would see it at once. The very first effect of free coinage would be to drive every dollar of gold out of circulation. This would mean a contraction, sharp and sudden, of from 500 to 600 millions of dollars in our national circulation. This would be inevitable, and the evil consequences of such a sharp contraction in currency no man can estimate. And before free coinage of silver could fully make up for this loss of our very best circulation by offering depreciated silver dollars in its place, would require at least six years' time, estimating that it would be possible to coin 100 million silver dollars each year, which is a very large estimate. It would take that long, mind you, just to make up for the *contraction* of the currency, and inflation would have to begin after that. Now, what becomes of the free coinage promise of increased business, more work, and better times, when you look at it in the light of the certainty of this immense contraction which free coinage would at once cause?"

"It shrivels up to nothing, sir," said Storey. "There's absolutely nothing in that promise."

"No; absolutely nothing. And yet the free coinage men are continually promising the farmers and workingmen better times, based upon that false hypothesis. I do not believe our people can be de-

ceived by such promises with no basis but sheer imagination."

"There's a thought right there that's been in my mind some time, Mr. Bruce," said Storey. "It seems to me that pretty soon there'll be a reaction in favor of sound money and the gold standard right out in those Western silver States, and, no doubt, some of the talking Senators may find themselves left at home in a few years."

**How Free
Coinage
Senators Can
be Disciplined.**

"I think you're right, too. I noticed a few days ago the report that a convention in one of the silver States out West went directly back on its Senators, because of their refusal to vote for the Dingley Tariff bill. That is a straw that shows how the wind is beginning to blow. The people of Colorado will no doubt soon begin to see that the repeal of the Silver Purchase Act was a blessing in disguise to them; for it opened up the Cripple Creek gold mines, and will, no doubt, open up others for them. I've seen the statement that the manufactures of one city alone in Colorado exceed by far the total annual value of the gold and silver output of the State combined. Is it not reasonable to suppose that the great manufacturing interests of that State and others of the silver States shall teach their public servants—their Senators and Representatives—a much needed lesson; and if the present servants of the people will not heed the lesson, cannot others be elected who will?"

"Well, that seems reasonable enough, Mr. Bruce, and I hope you don't take too hopeful a view of the situation; but I'm rather afraid of the threat of the

few silver Senators that they will hold up legislation until their demands are granted," said Storey.

"And I think you take too gloomy a view, Storey. The development of the West does not depend upon the subsidizing of the silver men by the people of the country. It depends upon the growth of its manu-

The Develop-
ment of the
West: What it
Depends on.

facturing interests chiefly, and these interests will have some say in the control of the people's representatives. What will give the farmers of the West home markets that will take their produce?

The founding of great manufacturing settlements in that section. What will help the farmers of the East? To be relieved of competition with the cheap lands and cheap produce of the West. And this can only be accomplished by giving the Western farmer a home market for his produce. Let the people of the Western silver States help to remove the threat of free coinage, and then there would be a chance for their development in that direction—for all the other conditions favor it. Then let a moderate tariff law be passed, looking to the protection of both the workingman and the manufacturer, and in a few years the threat of free coinage, which has done so much to interfere with the progress of the country, will be forgotten, or only remembered to make men wonder that their fellow-men could ever have been so foolish as to advocate such a policy."

"I agree with you, Mr. Bruce," said Storey. "So far as I can see, everything is ready for the greatest revival of business this country has ever seen; there is only one thing that stands in the way,

and that is the outspoken threat of the free coinage Senators to oppose needed legislation. I hope you are right about their own States being able to control their action ; but whether you are or not,

**The Chief
Obstacle to
Prosperity is
the Threat of
Free Coinage.** of one thing I feel sure: the people of this country will control their own affairs, and a few men will not be able to direct the business affairs of the great majority, as they now threaten to do.

Some way of escape from such a condition will certainly be found, or else our form of government—by a majority of the people—is a fraud or a farce.”

“And it is neither. It is the greatest republic the world has seen, and eventually the voice of the people will be supreme, Storey. And now, do you think we have pretty fairly considered this question, or is there any other point you would like to ask about?”

“There's just one other point, Mr. Bruce,” said Storey, “and then I believe I'm through. I've heard it claimed by the free coinage men that the reason for the decline in the value of silver was the fact that the Government stopped its purchases. What do you think of that claim?”

“Well, I think there's some degree of truth in it, but not much. It is largely disproved by the undeniable fact which we have considered several times during our talk, the fact that while the Government, from 1890 to 1893, was purchasing 54,000,000 ounces of silver a year, an amount that was thought to equal the total output of all our silver mines, the price still declined rapidly. I'm willing to admit that the price might have declined more rapidly, if Uncle Sam

hadn't been in the field as a buyer, but the fact still remains that it fell off greatly while he was still buying silver wholesale. Don't you think that fact completely destroys the claim of the free coinage men?"

"It certainly seems to do so, sir. I suppose the only thing that will satisfy the silver men is for the Government to take all the silver in sight at double the present price."

"That's just the size of their modest demand, Storey, with the addition of all the silver now out of sight added to all that's in sight. And this demand, you know, means the silver basis for our country, bankruptcy for our merchants and manufacturers, half wages for our workingmen, and greatly reduced income for all. Now, Barr, have you made any notes this evening to show us what you've learned?"

"To tell you the truth, Mr. Bruce, I've been so much interested in the talk that I've forgotten to take many notes. I have just a few here, which I'll read to you to see if they're all right. But I think I've got all the facts packed away, where I can get at them easy, when I have my next talk at the Club. My first one is about the contradictions of the free coinage people. They say that they could keep silver at par with gold under free coinage, and yet deny that they will make much by it, while the figures show that, if they could maintain the parity, they would make many millions. On the other hand, if they couldn't maintain the parity, everybody else would lose heavily, while the silver owners would have a steady market for their product at a big price."

"You are right, Barr. With either result, under

free coinage the people would lose heavily, while the silver men would surely reap rich harvests."

"Then, again, the free coinage men continually complain about the appreciation of gold, while the first result of free coinage, if it could be accomplished, would be the immense appreciation of gold. This is proved by the experience of the country during the war."

"Right again, Barr. There is certainly no escape from that conclusion."

"Then, again, they complain that the 'demonetization' of silver in 1873 has been followed by a great 'fall in prices,' while the facts show that there has been more silver forced into the currency, fifty times over, since 1873, than there was in the whole eighty years before. If the use of silver has had anything to do with the 'fall of prices,' the facts show that it must have been the too free use of it since 1873, rather than the scarcity of it."

Some Free
Coinage
Contradictions.

"You have them there, too, Barr, if facts are to be allowed to have any weight in the discussion."

"Then I have two or three questions I want to present to the men at the club. The first is: If low prices are such an unmixed evil as the free coinage men seem to think, how high ought they to go, to satisfy everybody? Shall a workingman pay \$20 for a barrel of flour, or \$10 for a pair of boots, simply to please some free coinage advocate who holds that high prices are an unmixed blessing? What is there in high prices for the workingman except less value for his dollars, or a pocket-book more quickly emptied?"

"An excellent way to put it before your club. I would like to hear some of the replies to those questions."

"My last questions are about the union of protection and free coinage: 'How much is protection worth to the workingman when it means a big cut in his wages?' 'How long will it take him to find out that this is what the union of protection and free coinage means?' and, 'How long will it take him to destroy protection, after he does find it out?'"

"Very good, indeed, Barr. I would be glad to be present at your next talk at the club."

"We have let our interest in this talk run away with us, Mr. Bruce," said Storey, "and have kept you up rather late. You'll have to excuse us, and accept our thanks for helping us to a better understanding of the whole question."

"You're very welcome, both of you, to any information I have on this subject, and I'm very glad we've had these talks. But before you go I want to remind you of what lies underneath the whole question. It is primarily a question of morals. I think we have caught sight of that fact now and then as we have talked."

"You mean that it's really a question of honesty or dishonesty; is that it?" asked Barr.

"Well, that's very near it, Barr. A very able French economist once said that the 'root of economics is always found in good morals,' and the more I study this subject, and others like it, the more and more true do his words seem. I think we have seen how true they are as applied to the question we have

been discussing. Here is an old and highly honored book—a book whose whole teaching is morality and religion—and I want to ask you to take with you, as you go away, so that when you think over this subject you can think of these, too—just two short sayings that I will read.”

Underlying
Free Coinage,
the Question of
Good Morals:
Is it Just and
Right?

As he said this, Mr. Bruce took down from an upper shelf of his book-case, a copy of the Bible, and opening it, continued :

“ I do not know that this book would be accepted as an authority by the advocates of free coinage, but there is a good deal in it worthy of their close study, and it still continues to be an authority honored and revered by the plain people. I could read many passages from it that are in direct line with our talk this evening, but will only ask you to remember two sentences. The first is this : ‘A false balance is an abomination to the Lord ; but a just weight is his delight,’ from the Book of Proverbs. The other is from the lips of the Great Teacher himself, and is such an expression of simple justice, right and truth, that it has become known as the Golden Rule of conduct. All of us know it by heart, for it was one of the first lessons of our childhood. How did you learn to say it, Barr ?”

“ I suppose you mean : ‘Do unto others as you would that they should do unto you.’ You didn’t think I was ignorant of that, did you ?”

“ No ; I was sure you knew it as well as any one, Barr. Now, to my mind, the application of either of these to our own country’s affairs would make the free

coinage of silver utterly impossible, as, indeed, I am confident it is. Simple justice and fair dealing, as exemplified in the 'just weight' of the Old Testament, would make the substitution of any other standard for the present gold standard out of the question; while a desire to treat our creditor just as we would

**Morality and
the Golden
Rule Opposed
to Free
Coinage.**

have him treat us, if he should happen to owe us, will make it impossible for us to attempt to take advantage of him, and pay him less than we owe him. So the morality of the Old Testament, as well as the religion of the New, both command us to deal justly with our creditors, when we are debtors, exactly as we expect our debtors to act toward us. It is, as you said, Barr, simply a matter of honesty and fair dealing."

"That is true, as between individuals," said Storey, "but when it becomes a question between a small class on one side, already rich, and a large class of working people, who will probably always be poor, on the other, then, it seems to me, that the attempt to obtain free coinage becomes a gigantic crime. Can there be anything but foulest injustice in a policy which would inflict such monstrous and irreparable wrong on a multitude of men and women, whose only fault is that they work hard, and try to save a part of their earnings."

"You are right, Storey. There is nothing but the grossest injustice in that. And, again, taking the same broad outlook that you do, what a disastrous blow to our national honor and credit would free coinage be! How could any American in the future have

faith in the promises of his own country? How great would be our shame and dishonor in the presence of the citizens of other nations! And even now, when we know that such a result is impossible, we still are compelled to admit that the continued assaults on our national credit, made by the free coinage men, have greatly weakened confidence in us abroad, and have, in some quarters, shaken confidence here at home, and are to-day the chief obstacle in the way of the restoration of national business prosperity."

"Well, we are greatly indebted to you, Mr. Bruce," said Barr, "for this talk, and as one workman, I want to say that my eyes are wider open than they ever were before to the danger there is in free coinage to all workingmen, and as one of them, I intend to make it my business to let as many of them as I can reach, know the facts in the case, and I think Storey will help me; won't you, old man?"

The American
Workingman,
with Open
Eyes, will
Soon End
Free Coinage.

"I certainly will, Barr. And I am sure that the American workingman, with his eyes open, will soon end free coinage. But we really must be going. Good night, Mr. Bruce."

"Good night, Storey. Good night, Barr. Don't forget that this whole question is one that at last depends upon the workers for its settlement, and do your part to see to it that they settle it right."

"We'll try, sir. Good night." And Storey and Barr took their leave, and thus the second interview came to an end.

* * * * *

"It seems to me," said Storey, as they passed on down the street, "that this is a pretty big question, and one that concerns you and me and men like us, more than it does anybody else."

"You're right, as usual," said Barr. "We working people are the ones that would be hit hardest by free coinage, if it should ever come about. I'm glad there's precious little chance for it, but I think it's our duty to make its chances still less. I'll tell you what I'm going to do. I'm going to start the word as to what it means to us among the boys on our road, and tell them to pass the word along. I think then it'll spread on from one line to another, till pretty soon all the railroad men will understand it, and as they get to see the real meaning of it, they can pass it on to other workingmen. Don't you think that a good plan?"

"It's fine, and ought to help do the work. It's for you and me, who have a good insight into this matter now, to open the eyes of others like us to the wickedness of free coinage; and when the workers of the country once understand what it means for them, its doom will be sealed, and another fraud and delusion will be removed from the path of progress."

* * * * *

A few days after their last talk, the following letter from Bruce was received by Storey :

“ PLEASANTVILLE, June 18, 1896.

“MY DEAR STOREY :

“ Since our talk a few evenings ago, I have recalled the fact that you, and Barr, and I have not heretofore been found working together within the same party lines. In view of this fact, and especially in view of the dangers involved in the free coinage of silver to the workers of our country, both men and women, I wish to add the following to what was said during our talks :

“ In my opinion this is not a time to insist on minor differences or strict party lines. When the honor and credit of the nation are assailed, it is the duty of every citizen to rally to the support of the Government. No State of this Union should permit its vote to be cast for the shame and dishonor involved in the free coinage of silver and the wholesale repudiation of just debts. Nor will the people of *any* State permit this, if they fully understand the issue.

“ It is the time to remember that we are all American citizens—citizens of the greatest Republic the world has known. It is the time to remember that all of us are the custodians of the honor of our country and our country's flag. It is the time to realize that our duty calls us to support, by our votes and to the full extent of our influence, the honor, the credit, and the good name of the Great Republic.

“ I have just finished re-reading, this evening, Lowell's grand ‘ Commemoration Ode ’—the greatest

poem in our language—one that every American should know well, if not by heart. No doubt you are familiar with it, but I venture to send you herewith the closing lines :

“ ‘ O Beautiful ! my Country ! ours once more !

* * * * *

What words divine of lover or of poet

Can tell thee all our love or make thee know it ?

Among the Nations bright beyond compare !

What were our lives without thee ?

What all our lives to save thee ?

We reck not what we gave thee :

We will not dare to doubt thee :

But ask whatever else, and we will dare !”

“ Remember me to Barr when you see him. With kindest regards, I remain,

“ Truly your friend,

“ ROBERT BRUCE.”

THE END.

**EXTRACT FROM THE SPEECH OF HON. JOHN G. CARLISLE
AT MEMPHIS, TENN., MAY 23, 1895.**

The savings-banks depositors in this country last year numbered 4,777,687, and the wives and children of the depositors who depended upon these accumulated earnings for future support doubtless numbered 10,000,000 more. There were 1,925,340 depositors in the national banks last year, and 1,724,077 of them had deposits of less than \$1,000 each, while state and private banks and loan and trust companies held deposits for 1,436,638 people. Our life-insurance companies, to say nothing of companies insuring property against loss by fire and otherwise, had 7,505,870 policies outstanding last year, upon which the premiums had been paid, or were being paid, by the people, and the mutual benefit and assessment companies had 3,478,000 members. The building and loan associations had nearly 2,000,000 members, all of whom had paid their money in as required by the rules of the body to to which they belonged. Here, then, are about 21,000,000 of our people, generally poor, or at least people of moderate means, who have given credit to these great corporations and companies, and, in my opinion, it would be a grievous wrong to adopt any policy which would deprive them of the legal right to demand and receive just as good money as they parted with when they made the deposits in the banks or paid the premiums on their insurance policies.

THE HARD EARNED SAVINGS OF THE POOR OUGHT NOT TO BE SACRIFICED TO THE AVARICE OF THE WEALTHY MINE-OWNERS OR THE AMBITION OF ASPIRING POLITICIANS, AND IF THE PEOPLE WHO HAVE A SUBSTANTIAL INTEREST IN THE WELFARE OF THE COUNTRY AND A JUST APPRECIATION OF THEIR RESPONSIBILITIES AS CITIZENS WILL EXERT THEIR PROPER INFLUENCE IN PUBLIC AFFAIRS THIS GREAT WRONG CAN NEVER BE PERPETRATED.